



Department: Community Development
Cost Center: 4008
For Agenda of: 4/1/2025
Placement: Public Hearing
Estimated Time: 60 minutes

FROM: Timmi Tway, Community Development Director
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SUBJECT: REVIEW OF AN INITIATION OF A GENERAL PLAN AMENDMENT, REZONE, AND ANNEXATION TO FACILITATE BROADSTONE VILLAGE, A PHASED RESIDENTIAL DEVELOPMENT PROJECT, AT 12500 AND 12501 LOS OSOS VALLEY ROAD

RECOMMENDATION

City staff recommends the following actions for consideration by the City Council:

1. Review the General Plan Amendment, Rezone, and Annexation applications for overall consistency with policy direction in the General Plan; and
2. Direct staff to proceed with processing all applications to facilitate the Broadstone Village project (i.e., construction of 208 senior housing units, 201 multifamily units; bypass road, a Bob Jones Trail extension, and supporting site improvements); and
3. Confirm staff's recommendation that funding strategies for the construction and maintenance of the bypass road be developed during the review process with the understanding that general fund contributions to its construction would not be provided (associated with the Annexation application); and
4. Provide direction on issue areas related to the overall number of residential units proposed and the possible inclusion of affordable units as part of the project scope (associated with the General Plan Amendment and Rezone applications).

REPORT-IN-BRIEF

LOVR Properties, TIC (Applicant) has applied for General Plan Amendment (GENP-0056-2024), Rezoning (RZ-0055-2024), and Annexation (ANNX-0807-2024) applications to facilitate Broadstone Village (Broadstone), a phased residential development consisting of 409 units (i.e., 208 senior housing units and 201 multifamily units) at 12500 Los Osos Valley Road (North Site, APN 053-141-013) and 12501 Los Osos Valley Road (South Site, APN 053-161-020) (Attachment A – Broadstone Project Description, B – Broadstone Project Plans). Annexation of a 44-acre parcel located to the immediate south (Hayashi Property, APN 076-081-030) is also requested to accommodate a bypass road (LOVR Bypass) between Los Osos Valley Road and the South Higuera Street/Buckley Road intersection and a realigned extension of the Bob Jones Trail. The project is being

forwarded to the City Council for an early policy consideration to (a) determine if these applications should be initiated and (b) provide input on any desired project revisions and/or directional items, including the specific issue areas identified in this Council Agenda Report, should the project review move forward.

POLICY CONTEXT

Per Municipal Code [Section 17.130.010](#) (Purpose), amendments to the General Plan and City limits require orderly processing consistent with overall goals of the City's planning program and requirements of California State law. Furthermore, Municipal Code [Section 17.130.020](#) (Authority to Initiate an Amendment) specifies the Community Development Director (Director) has the authority to forward any such application to the City Council for early policy consideration. The Council should evaluate the proposed applications for consistency with overall policy direction in the General Plan and direct the Director to process or reject the applications based on the policy considerations. If Council directs staff to move forward with processing these applications, the initiation of the applications does not constitute approval of the project, or any aspect of the project, and only begins the required review process for these applications.

The Applicant has submitted the General Plan Amendment, Rezone, and Annexation applications that would form the basis for the Broadstone Village project and affect all subsequent application requirements related to the project. While Municipal Code [Section 17.130.020](#) details that applications amending the General Plan (i.e., General Plan Amendment and Annexation) can be forwarded to the Council for early policy consideration, the Council Agenda Report discusses all three (3) applications, including the Rezone, because these requests are related and would form the overall project scope. **Additional information on the scope, including the relation, of each application is included in the proceeding discussion.**

If the Council authorizes the processing of these applications, City staff will formally evaluate the project's consistency with the existing policy framework to determine the nature and extent of General Plan amendments that may be required and initiate the environmental review to evaluate issues and impacts, including but not limited to, flooding, circulation, agricultural and open space resources, etc. At this initiation meeting, Council may provide direction to staff and the applicant on any desired project revisions and/or directional items related to the project evaluation during the detailed review. Staff is also seeking direction from Council on the specific issue areas identified in this report.

DISCUSSION

SITE DATA			
Locations	12500 LOVR (Figure 1 – North Site)	12501 LOVR (Figure 2 – South Site)	Hayashi Property (Figure 4)
Parcel Sizes	9.5 acres	13.1 acres	44 acres
	Total of approximately 66.6 acres (includes the entire area of the associated properties, which is to be differentiated from the area of proposed development)		
Area of Proposed Development	Total of approximately 15.06 acres (includes the specific areas for residential development, supporting infrastructure, and site features)		
Existing Land Use Designations	Medium Density Residential	Low Density Residential	Outside of City limits, within unincorporated area of the County
Existing Zones	R-2-SF	R-1-SF	Outside of City limits, within unincorporated area of the County
Existing Uses / Site Condition	Agricultural fields, undeveloped		
Surrounding Uses	Single-family residences, SLO Creek, agricultural fields		

Project Description

The Applicant has submitted for General Plan Amendment (GENP-0056-2024), Rezone (RZ-0055-2024), and Annexation (ANNX-0807-2024) applications to form the basis of Broadstone Village, a phased residential development consisting of 409 units across two (2) properties along Los Osos Valley Road (LOVR); a bypass (i.e., public road) from LOVR to the South Higuera Street/Buckley Road intersection; and a realigned extension of the Bob Jones Trail. To facilitate the project, existing agricultural fields located within the identified project area would be removed to accommodate the residential development (i.e., the senior housing and multifamily units) and associated site improvements (e.g., supporting infrastructure such as roads, utilities, etc. and features such as the trail extension).

The proposed 409 residential unit development consists of 208 senior housing units, which includes an approximate 5.6 percent density bonus, at 12500 LOVR (Figure 1 – North Site) and 201 multifamily units at 12501 LOVR (Figure 2 – South Site). These units

would be constructed as clustered buildings, ranging from one- to three-stories high; include various unit types and sizes such as studios, one-bedrooms, two-bedrooms, and three-bedrooms; and be supported by common areas and facilities such as community buildings, courtyards, pools, and other recreational spaces.



Figure 1 – North Site (12500 LOVR, APN 053-141-013)



Figure 2 – South Site (12501 LOVR, APN 053-161-020)

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As part of the project, the proposed public right-of-way improvements include the installation of a signalized intersection on LOVR serving as primary access to both North and South Sites, construction of a bypass road between LOVR and South Higuera Street/Buckley Road, and construction of the Bob Jones Trail extension between LOVR and Higuera Street. The signalized intersection would provide primary access to the project sites and potential secondary access to the neighboring residential developments (i.e., Los Verdes Park One and Los Verdes Park Two), if supported by the neighboring property owners. The bypass road would begin at the new signalized intersection at LOVR; run along the eastern property line of the South Site (along the shared property line with Los Verdes Park Two); and through a northern portion of the Hayashi Property, located to the immediate south and outside of the City limits, to connect and create a four-way intersection with the existing signalized intersection at South Higuera Street and Buckley Road (Figure 3 – LOVR Bypass, Figure 4 – Hayashi Property). The proposed Bob Jones Trail extension would be realigned from the previously proposed pathway alignment along San Luis Obispo Creek and instead extend between LOVR and South Higuera alongside the LOVR Bypass. The intent of the proposed realignment is to increase visibility and public safety along the pathway. To assist in addressing costs associated with the servicing the bypass, trail extension, traffic signal, and open space, the Applicant is proposing a Community Facilities District (CFD) as part of the project. If the project review moves forward, staff would work with the Applicant on formation of the proposed CFD during the review process.

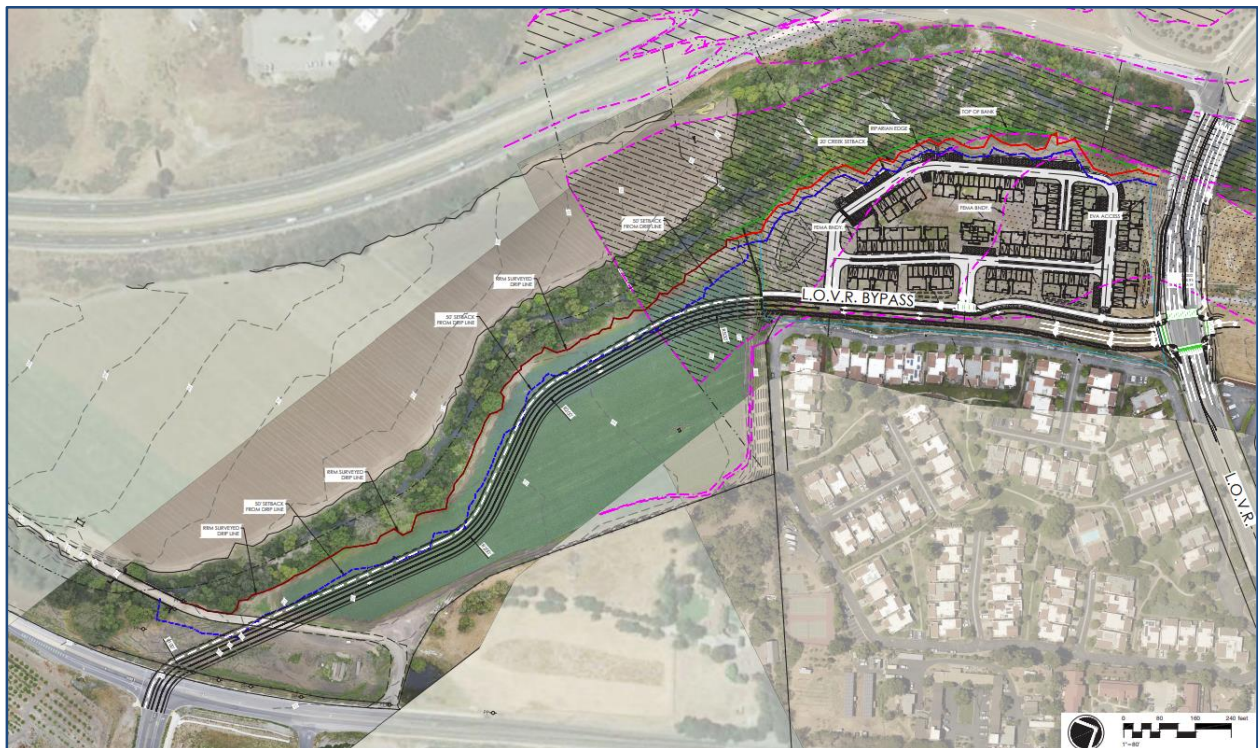


Figure 3 – LOVR Bypass

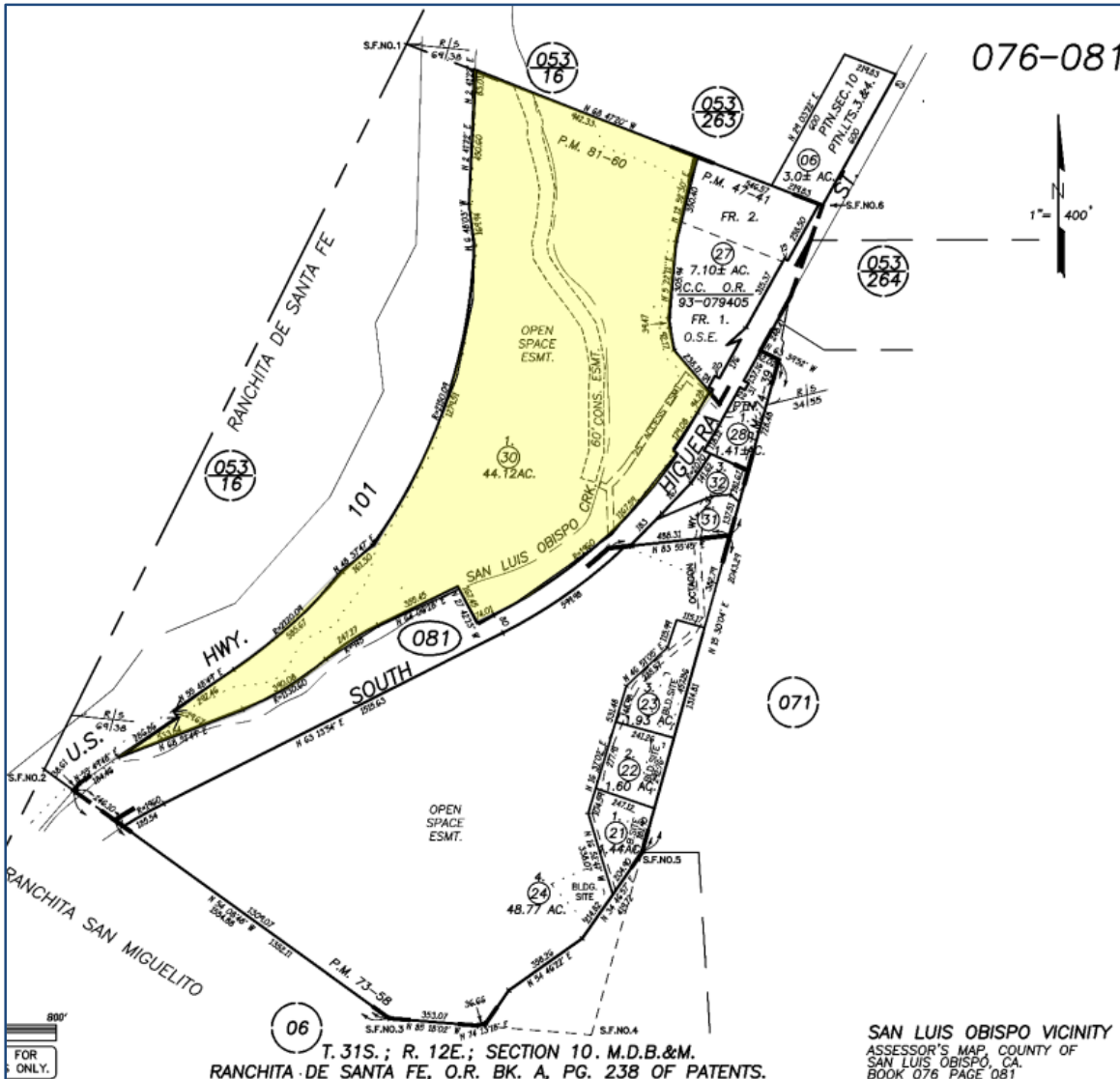


Figure 4 – Hayashi Property (APN 076-081-030)

As currently proposed, the project would be constructed in three (3) phases over an anticipated ten (10) years. Provided below is the tentative proposed phasing schedule, which would be further evaluated and subject to further refinements as part of the application review process, if the project review moves forward:

- Phase 1
 - North Site: Construction of 48 units, LOVR frontage improvements, main entry roads and relocation of City sewer facilities
 - South Site: Construction of 91 units, LOVR Bypass extended from LOVR to project entrance, and community amenities, and offer of dedication of secondary access to Los Verdes Park One, if supported by the community

- Phase 2
 - North Site: Construction of 62 units, common areas, and common amenities
 - South Site: Construction of remaining 110 units, LOVR Bypass, Bob Jones Trail extension, and traffic signal at LOVR Bypass/LOVR, and offer of dedication of secondary access to Los Verdes Park Two, if supported by the community

- Phase 3
 - North Site: Construction of the remaining 98 units

To facilitate the Broadstone project, the Applicant has applied for several applications that would create and affect different elements of the overall scope. Listed below are the various requests associated with each application type.

The scope for the General Plan Amendment includes the following:

- Modification of the existing land use designations from Medium Density Residential (MDR, North Site) and Low Density Residential (LDR, South Site) to High Density Residential (HDR) for both sites in order to permit the highest number of residential units.
- Minor adjustments between the boundaries of the Open Space (C/OS) and proposed HDR land use designations to reflect the existing mapped edge of riparian habitat for San Luis Obispo (SLO) Creek and accurately identify the resulting developable area for each project site.
- Designation of the Hayashi Property as Agriculture (AG) and/or Open Space (OS) in coordination with the appropriate corresponding zone(s) **(only to be pursued if the Annexation is initiated; excludes areas proposed for the public right-of-way improvements [i.e., LOVR Bypass and Bob Jones Trail extension])**.
- Modification of various maps in the Circulation Element to reflect the proposed LOVR Bypass, which would provide a new road between LOVR and South Higuera Street/Buckley Road **(only to be pursued if the Annexation is initiated)**.

The scope for the Rezone includes the following:

- Change the existing zones from Medium-Density Residential (R-2-SF, North Site) and Low-Density Residential (R-1-SF, South Site) to High-Density Residential (R-4-SF) for both sites in order to permit the highest possible number of residential units.
- Minor adjustments between the boundaries of the C/OS and proposed R-4-SF zones to reflect the existing mapped edge of riparian habitat for SLO Creek and accurately identify the resulting developable area for each project site.
- Zone the Hayashi Property as Agriculture (AG) and/or Open Space (C/OS) in coordination with the corresponding land use designations **(only to be pursued if the Annexation is initiated; excludes areas proposed for the public right-of-way improvements [i.e., LOVR Bypass and Bob Jones Trail extension])**.

The scope for the Annexation includes the following:

- Adjustment of the City limits to include the Hayashi Property to specifically facilitate construction of the LOVR Bypass and Bob Jones Trail extension.
- Aside from the bypass and trail extension, the remaining area of the Hayashi Property would be designated and zoned for AG and/or C/OS to maintain the majority of the 44-acre parcel for agricultural operations and/or protect it for open space.
- **The urban reserve line (URL) will remain, and no changes to its location are proposed (Figure 5 – Annexation Map).** All residential development would occur inside the URL (delineated as the bolded green line in Figure 5 below) and only a portion of the LOVR Bypass, which crosses onto the Hayashi Property (described as the gray annexation area below) to connect to the South Higuera Street/Buckley Road intersection, would be located outside of the URL.

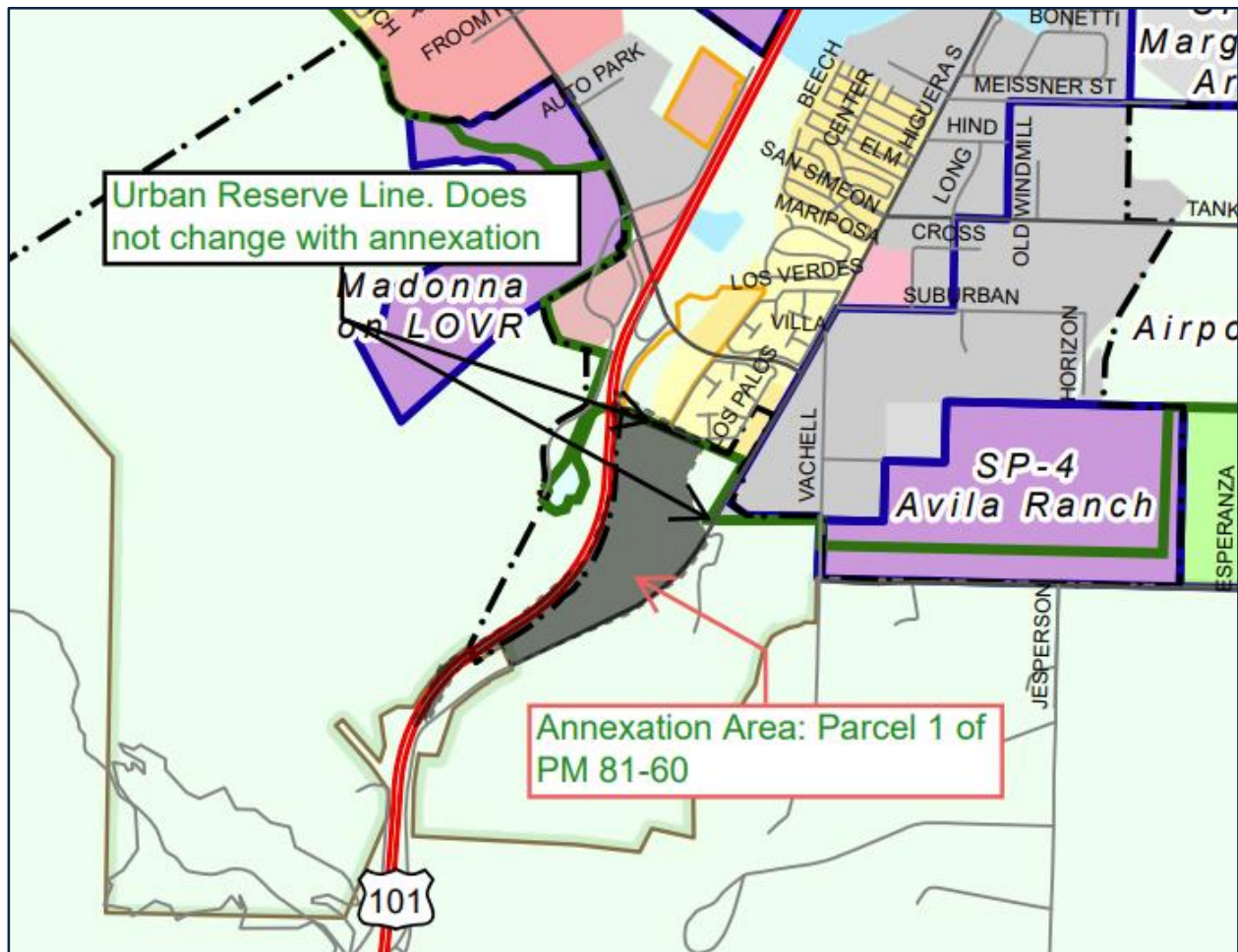


Figure 5 – Annexation Map

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The Council's policy determination on whether to move forward with processing these applications would provide the basis for the Broadstone Village project.

Please note that the General Plan Amendment and Rezone, specifically the need to coordinate between the proposed land use designations and zones, would require accompanying application requirements and scopes if pursued. Therefore, the Council would need to initiate both, or neither, of these applications in coordination.

While the Annexation application is technically independent of the other applications and can be initiated without the other requests, annexation would only be necessary if the Council is supportive of the LOVR Bypass and Bob Jones Trail extension as features of the project. If Council is not supportive of the proposed bypass and trail extension and does not provide direction to initiate the Annexation to facilitate these features, the overall project scope would be revised and reduced as described in the bulleted lists above. As such, the Applicant would only pursue a project within City limits (i.e., only on the North and South Sites), and an alternative site plan with an increased total of 240 multifamily units would be proposed for the South Site because there would be additional area to construct residential units without the bypass and trail extension (Figure 6 – No Bypass Alternative). Without the annexation and associated bypass and trail extension, the project would include a total of 448 units, instead of the 409 units proposed with these features. **Additional preliminary analysis on anticipated project impacts *without the LOVR bypass as a feature* is provided in the proceeding discussion.**



Figure 6 – No Bypass Alternative

Should Council provide staff with direction to move forward with most (i.e., only General Plan Amendment and Rezoning) or all of the requested applications (i.e., General Plan Amendment, Rezoning, and Annexation), these applications and any requested revisions and/or reductions to the project scope, including the environmental review, would be processed. Detailed evaluation of these initial applications would inform project requirements (e.g., development envelope, construction phasing, design requirements, etc.). If these initial applications establishing the basis for the Broadstone Village project (i.e., General Plan Amendment, Rezoning, and Annexation, if pursued) are eventually approved by the City Council, the Applicant would return and apply for the subsequent entitlement applications (i.e., Major Development Review, Subdivision, etc.), which would contain more detailed information on the project design, features, etc., of each phase.

Consistency with General Plan Goals, Policies, and Programs

For Council's early consideration and to assist with the overall policy determination for these applications, City staff has provided a preliminary analysis for consistency with the General Plan, particularly the Land Use, Housing, Circulation, and Conservation and Open Space Elements. This preliminary analysis is based on information available thus far, and detailed information and analysis would be forthcoming as part of the review process, if Council directs staff to move forward with processing the applications.

[Land Use Element \(LUE\)](#)

Site Constraints and Project Considerations

LUE Chapter 8 identifies Special Focus Areas throughout the City, where there are complex development parameters requiring an innovative design approach to facilitate development. The project site (i.e., both North and South Sites) is a Special Focus Area, referred to as the LOVR Creekside Area in LUE Program 8.12 that is heavily constrained by flood potential and limited circulation access to the sites. As part of any future development project, LUE Program 8.12 requires that (a) agricultural designations be maintained along the west side of the site; (b) compatibility with adjacent residential areas to the east be required; (c) permanent protection of the SLO Creek be addressed; and (d) the development accommodate any changes to the LOVR right-of-way and Highway 101 Interchange (which is a [traffic relief project](#) that was completed in 2016).

Since the proposed development must account for the existing site constraints, special design approaches are to be considered as part of the review process to achieve the development potential of these constrained sites. In accordance with the intent of LUE Chapter 8 (Special Focus Areas), the Applicant is requesting the City consider annexing the Hayashi Property to specifically facilitate construction of the proposed LOVR Bypass and Bob Jones Trail extension (Figure 3 – LOVR Bypass, Figure 4 – Hayashi Property). Construction of the bypass would address circulation issues related to site development; however, it would cross two (2) properties that are under different jurisdictions. Preliminary communications with County of San Luis Obispo staff indicates the County is not interested in pursuing the bypass road but would be supportive of the City's

Annexation and any resulting road improvement if that allows efficient processing of the project (Attachment C – County of SLO Department of Planning & Building, Public Works Letter). **Staff is specifically requesting feedback from the Council on whether to initiate the Annexation to specifically facilitate construction of the LOVR Bypass and Bob Jones Trail extension. Additional preliminary analysis on the Annexation request is provided in the proceeding discussion and other discussion sections for the Circulation and Conservation and Open Space Elements.**

For compliance with LUE Program 8.12, the detailed project review would include an evaluation of the identified issues related to flooding control, site access, creek protection, agriculture protection, and neighborhood compatibility and require that these issues be addressed as part of the project, regardless of whether the Annexation and LOVR Bypass are pursued. If the Annexation is not initiated, the Applicant would pursue an alternative site plan for the South Site (Figure 6 – No Bypass Alternative). Subsequent studies and detailed analysis for the environmental review would inform design requirements (e.g., flooding potential, site access, and on-site and off-site circulation improvements) and appropriate mitigation strategies (e.g., to protect prime farmland, preserve creek habitat, etc.), including a possible reduction in scope if the project is found to have adverse environmental impacts or cause significant adverse impacts on the health, safety, or welfare of future residents of the sites, neighbors, or the general public as described in LUE Policy 2.4.3 (Density and Site Constraints). In addition, land use compatibility with the existing neighborhood would be evaluated as part of the application process, including but not limited to, reviewing the design, scale, and placement of new buildings in relation to the location of neighboring residences, and exploring the potential provision of secondary access, where possible and supported by the neighboring developments.

Annexation as a Growth Management Tool

While the Hayashi Property is not specifically identified for annexation in the LUE, the property is located in the City's [Sphere of Influence](#) (SOI), as determined by the [San Luis Obispo Local Agency Formation Commission](#) (LAFCO), which is a long-range planning tool representing areas that can be eventually annexed and may be opportunities for shared facilities such as roadway connections, open space preservation, and agricultural lands preservation.

Per LUE Policy 1.13.3 (Annexation Purpose and Timing) and Policy 1.13.8 (Open Space), the City may annex areas for development as well as permanent open space protection. As proposed, the Annexation is intended to facilitate construction of the LOVR Bypass (to address circulation issues related to site development for the project) and the Bob Jones Trail extension. Aside from these improvements, the remaining majority of this 44-acre parcel would be designated and zoned to be protected as agricultural lands and/or open space. Please note that all residential development for the Broadstone project would occur on properties (i.e., North and South Sites) within the City limits and existing URL.

Housing Element (HE)

Rezoning Opportunity

Per HE Program 6.13 and Table D-2 (Areas to be Considered for Possible Rezoning, 2019) in Appendix D (Residential Land Resources), the City is to consider General Plan Amendments (and Rezonings) to rezone specific areas for higher-density, infill housing, where compatible with surrounding development. Both the Broadstone North and South Sites are identified as sites (K) and (L) for possible rezoning to Medium-High Density (R-3) and estimated to support 102 and 109 dwelling units¹, respectively. It should be noted that the development capacity of a site is dependent on its size, zoning, average slope, and the existence of any natural features (e.g., creeks, significant native trees, etc.) as environmental constraints may reduce the number of dwellings that can reasonably be developed. Based on the lot size, configuration, and identified site constraints related to (a) flooding potential, (b) limited circulation access due to proximity to the LOVR and Highway 101 Interchange, and (c) limited LOVR frontage of these project sites, the HE identified that these project sites may be suitable for R-3 rezoning.

To evaluate and potentially permit the highest number of units possible as part of the Broadstone project (i.e., R-4 zoning allows the highest residential density), the Applicant has submitted General Plan Amendment and Rezoning applications to change both sites to the HDR land use designation and R-4 zone, instead of the MDR land use designation and R-3 zone as contemplated in the HE. The table below summarizes the proposed land uses along with requested changes in the underlying land use designation and zones that would affect the maximum number of units that can be permitted for the project (Table 1 – Summary of Land Uses, Designation/Zone Changes, and Density).

Existing (Acres)	North Site	South Site	Total
C/OS Zone	3.09	5.03	8.12
R-1 Zone	-	8.22	8.22
R-2 Zone	6.84	-	6.84
Gross Area	9.93	13.25	23.18
Net Developable Area (Excludes C/OS Zone)	6.84	8.22	15.06

¹ Per the HE, dwelling unit estimates are based on a 75 percent development efficiency (to account for compliance with applicable development standards and any possible site constraints) and assumes that each dwelling unit is equivalent to one (1) density unit or a two-bedroom unit.

² All of the density calculations identified in this Table refer to *density units*, which are to be differentiated from *dwelling units*. For reference, the differences between *density units* and *dwelling units* are described in [Section 17.70.040\(A\)\(1\)](#) (Density Calculation).

Max Density Units (No Changes to Designation/Zone)	82.08	57.54	139.62
Proposed (Acres)	North Site	South Site	Total
C/OS Zone	3.09	5.03	8.12
R-4 Zone	6.84	6.84	13.68
Streets (Includes LOVR Bypass and Bob Jones Trail)	-	1.38	1.38
Net Developable Area (Excludes C/OS Zone and Streets)	6.84	6.84	13.68
Max Density Units (With R-4 Zoning as Proposed)	164.16	164.16	328.32³
Max Density Units (With R-3 Zoning as Contemplated in the HE)	136.8	136.8	273.6
Difference in Max Density Units Between the R-3 and R-4 Rezonings	27.36	27.36	54.72

While the Applicant has requested the densest residential zone (i.e., R-4) for these properties, the subsequent detailed review, including the environmental review, would include a comprehensive analysis to inform requirements of constructing and serving the project. As described in the preceding discussion section for the LUE, design requirements and/or mitigation strategies, including a possible reduction in scope, resulting from the review process would be incorporated into the project as needed. Based on preliminary information available thus far, exploring the possibility of permitting the highest number of residential units for these sites would be consistent with various HE goals, policies, and programs intended to promote housing production and affordability.

³ Per [Section 17.70.040\(A\)\(1\)](#) (Density Calculation), the allowable number of *dwelling units* may exceed the maximum number of *density units*, if a development project incorporates smaller unit types (i.e., studios and one-bedrooms, which are counted as less than one [1] density unit each). Therefore, it would be possible for the Broadstone project to include a total of 409 dwelling units, based on the 328.32 density units allowed, due to the number of studios and one-bedrooms proposed. In addition, the project includes an approximate 5.6 percent density bonus, in accordance with State Density Bonus Law, for senior housing to provide an increased number of units for the overall development.

Type of Housing Units

As proposed, the project includes the construction of 208 senior housing units and 201 multifamily units with a variety of unit types ranging from studios to three-bedrooms. (Note – if the Annexation application is not initiated by Council for processing and the bypass is subsequently not pursued as part of the project, an alternative site plan with a total of 240 multifamily units for the South Site, as shown in Figure 6 above, would be pursued.) In accordance with [Government Code Section 65915](#), the senior housing units, including the approximate 5.6 percent density bonus, would be provided with the appropriate age-restriction. Because the Applicant is utilizing State Density Bonus Law to provide 208 age-restricted units, the project is exempt from the City's Inclusionary Housing Requirements per [Section 17.138.020\(A\)\(4\)](#) (Applicability and Exclusions). Therefore, affordable units and/or in-lieu fees are not required or proposed as part of the project. As proposed, the project would be consistent with HE Goal 8 (Special Housing Needs), particularly Policy 8.1, by providing a diverse variety of multifamily housing units that can meet the needs of large families and single parents as well as providing senior housing units.

While the project, as proposed with the senior housing units and density bonus request, is exempt from local inclusionary housing requirements and therefore not required to provide affordable units or pay in-lieu fees, it should be noted that HE Policy 2.4 encourages housing production for all financial strata of the City's population as allocated in the Regional Housing Needs Allocation (RHNA). In addition, Appendix C (Housing Constraints & Resources) of the HE states that large parcels in the R-3 and R-4 zones (such as these project sites and their proposed rezonings) offer the best opportunities to encourage affordable housing because these large sites have high residential development potential and can facilitate a variety of housing types.

[Circulation Element \(CE\)](#)

LOVR Bypass Connection

Per CE Policy 16.1.3 (City Funding), the City's Financial Plan and Capital Improvement Program (CIP) shall support the programs, plans, and projects identified in the CE. As detailed in Table 5 (Transportation Capital Projects) and Appendix D (Summary of Circulation Element Projects and Programs), the LOVR Bypass is identified as a new connection and project that shall be analyzed as part of (a) a proposed development project in the LOVR Creekside Area (LUE Program 8.12); and/or (b) a City-initiated traffic analysis of the subarea to determine feasibility of connecting a roadway from Highway 101 to Higuera Street. Potential funding sources identified for this connection include developer construction, development impact fees, grant funding, and the general fund. As proposed, the project includes construction of the LOVR Bypass, consistent with CE Table 5 and Appendix D, and the request for Annexation of the Hayashi Property would facilitate its construction because the affected parcels (i.e., South Site and Hayashi Property) are located in different jurisdictions with different interests in the bypass road, as described in the preceding discussion under the LUE section. **Specific funding sources for the LOVR Bypass have not been identified at this time, and preliminary recommendations regarding the cost allocation are discussed in more detail below.**

Bob Jones Trail

Per CE Policies 4.1.4 (New Development) and 4.1.6 (Bikeway Development with Road Improvements), the City shall construct bikeway facilities as designated in the Bicycle Transportation Plan (now referred to as the [Active Transportation Plan](#)) as part of new development, where feasible. The City's 2021 Active Transportation Plan (Plan) identifies a planned connection of the Bob Jones Trail shared-use path between LOVR and the South Higuera Street/Buckley Road intersection as a Tier 2 (medium priority) project; however, the Plan notes that this trail would be elevated to a Tier 1 (highest priority) project if the County is successful in advancing the planned regional extension of the Bob Jones Trail from the City of San Luis Obispo south to Avila Beach. The County's trail extension is funded and expected to proceed in phases; thus, the portion in the City from LOVR to the South Higuera Street/Buckley Road intersection is considered a Tier 1 project. As proposed, the project would construct this segment of the Bob Jones Trail parallel to the proposed bypass road.

[Conservation and Open Space Element \(COSE\)](#)

Annexation of the Hayashi Property

Per COSE Program 8.7.1(B) (Protect Open Space Resources), the City is to take various actions to protect open space, including annexing and applying AG and C/OS zoning to private property where appropriate and consistent with General Plan goals and policies. Aside from areas where the proposed LOVR Bypass and Bob Jones Trail extension would be located, annexation of the Hayashi Property would result in the preservation of agricultural lands and open space for most of the 44-acre property. In annexing the property, the City would proactively acquire land into its jurisdiction and permanently protect resources through agreements and easements and ensure no future development can occur.

Consistency with Major City Goals

Housing & Homelessness was prioritized as a Major City Goal in the [2023-2025 Financial Plan](#) to support the expansion of housing options and facilitate housing production. As proposed, the project includes 208 senior housing units and 201 multifamily units, ranging from studio to three-bedroom units, to provide a diverse range of housing options.

Impacts on Adjacent Areas and Public Services

If Council provides direction to move forward with processing the application(s), impacts of the project on adjacent parcels and shared resources (e.g., emergency services, parks, etc.) would be analyzed in detail as part of the review process. The detailed analysis would evaluate impacts of the project, including but not limited to, the proposed phasing, environmental review, etc.

Specific Issue Areas for Consideration

While the project conceptually aligns with the policy direction in the General Plan, City staff has identified the following issue areas that the Council should consider and provide input on if the project is initiated:

Issue Area No. 1 – Annexation, LOVR Bypass, and Bob Jones Trail

Should the proposed bypass road and trail extension (and therefore, the Annexation request) be included as part of the project? **This issue is related to whether, and how, the Annexation application should be initiated.**

Considerations

As noted in this report, details about circulation and transportation impacts will be studied in depth if the project review moves forward. A preliminary evaluation of the bypass has been completed, and as proposed, its inclusion would address circulation-related issues for the project sites and immediate vicinity. **However, if the bypass is not supportable, the following challenges related to project design and traffic operations in the vicinity may arise:**

- Without the bypass, it is unlikely that the site driveways on LOVR will meet warrants for the installation of a traffic signal, and the initial design review indicates that a roundabout is likely to be infeasible at this location. Without a signal or roundabout at this intersection, left turn access out of the North and South Sites will need to be restricted per the City's access management standards, signalized pedestrian/bicycle crossing will not be available at the intersection, and there will be no opportunity to provide connectivity between Los Verdes Park One and Los Verdes Park Two.
- Operations at the intersection of South Higuera Street/LOVR will fall below the City's adopted level of service (LOS) and queueing standards in the future with or without this development project. The bypass road will relieve traffic volume at this intersection, eliminating or at least reducing the resulting delays and vehicle queues.
- Without the bypass, widening would be needed at the South Higuera Street/LOVR intersection to mitigate projected operational impacts with or without this development project. However, it would be infeasible to widen this intersection without significant encroachment into adjacent private properties (i.e., Los Verdes Park One, San Luis Business Center, and the Montessori Children's School) on each corner of the intersection.
- Without the bypass, there would be a less convenient crossing to and from the Bob Jones Trail extension and the trail would have less visibility, increasing potential for vagrancy and public safety concerns.

It should also be noted that the project transportation impact study and environmental review will require the detailed analysis of potential impacts to the neighboring residential developments (i.e., Los Verdes Park One and Two), traffic operations within the greater vicinity (LOVR/US Highway 101 Interchange, LOVR and Higuera Street corridors, etc.), and considerations for scenarios with and without completion of the Prado/US Highway 101 interchange.

The CE identifies a range of potential funding sources for the bypass, including developer construction, development impact fees, grant funding, and the general fund. However, the bypass is not identified in the City's current or contemplated Capital Improvement Plan, nor does staff anticipate that the bypass would be constructed in any foreseeable future without development of the Broadstone project properties. Additionally, the bypass is not explicitly included in the City's current transportation impact fee program because it is not currently within the City's incorporated area nor in the City's roadway system. As a result, contributions to the bypass from the transportation impact fee program will require the City to modify the program to add this project and begin collecting fees from future projects that may contribute to the need for the bypass. While the project presents an opportunity to acquire property to construct the public improvements (i.e., LOVR Bypass and Bob Jones Trail extension), construction of these improvements would also result in ongoing maintenance costs to the City that would not otherwise be incurred without the project. If the bypass is to be included, it is anticipated that its construction and maintenance would need to be supported by a combination of developer contribution, transportation impact fees, and the CFD over the North and South Sites.

Because the bypass would not be constructed by the City absent this project, and in light of other significant capital project needs and costs facing the City in the next ten-year period, staff does not recommend committing to general fund contributions toward the construction of the bypass for the reasons stated above. If Council provides direction that the bypass and trail extension are supportable as part of the project, details of the anticipated costs and agreements for reimbursement from future transportation impact fee revenue, as well as other funding strategies for ongoing maintenance needs, would be developed and further refined as part of the application review process. **If these public improvements (and the associated Annexation request) are supportable, City staff is seeking confirmation of staff's recommendation that funding strategies for the construction and maintenance of the LOVR bypass be developed with the Applicant during the review process with the understanding that general fund contributions to its construction would not be provided.**

Issue Area No. 2 – Density and Residential Development Potential

Should the proposed High Density Residential (HDR) land use designation and R-4 zone be considered for the North and South Sites? **This issue is related to whether, and how, the General Plan Amendment and Rezone applications should be initiated.**

Considerations

Instead of the MDR land use designation and R-3 zone that were contemplated for these project sites in the HE, the currently proposed project includes General Plan Amendment and Rezone applications to allow a HDR land use designation and R-4 zone to support a higher number of units on the project sites. As summarized in Table 1 above, the R-4 rezoning would allow 328.32 density units while the R-3 rezoning would allow 273.6 density units, which results in a difference of 54.72 density units. In either rezoning scenario, environmental review would be conducted as part of any development project to ensure that site constraints, including but not limited to, the (a) flooding potential, (b) limited circulation access due to proximity to the LOVR and Highway 101 Interchange,

and (c) limited LOVR frontage of these sites are appropriately addressed as part of the review process. **With the understanding that the subsequent environmental review (if processing is initiated by the City Council) would provide additional details and analysis on the project constraints and impacts, City staff is seeking initial direction from Council to determine if the General Plan Amendment and Rezone applications for the HDR land use designation and R-4 zone are supportable to pursue.**

Issue Area No. 3 – Affordable Units

Should affordable units be required as part of the project (even if the project is exempt from the City's Inclusionary Housing Requirements as proposed)? **This issue would affect the project scope by requiring the inclusion of affordable units to provide deed-restricted units for very low-, low-, and/or moderate-income levels.**

Considerations

As proposed, the project includes a total of 409 units consisting of (a) 208 for-sale senior housing units, which includes an approximate 5.6 percent density bonus, on the North Site and (b) an undefined mix of 201 for-sale and for-rent multifamily units on the South Site. *Note – the Applicant is exploring the possibility of providing 165 for-sale units on the South Site as described in the project description.* Because the Applicant is utilizing State Density Bonus Law to provide 208 age-restricted units, the project is exempt from the City's Inclusionary Housing Requirements and not required to provide affordable units and/or pay in-lieu fees. **However, it should be noted that the project includes a General Plan Amendment and Rezoning for the R-4 zone, which results in approximately 55 additional density units from the anticipated R-3 zone per the HE and would enable an overall higher number of units for the project.**

For the Council's reference, preliminary calculations, based on the noted assumptions, are provided below to demonstrate the possible numbers of affordable units, *if the project did not include a density bonus and was therefore not exempt from inclusionary housing requirements.* Per [Section 17.138.040\(B\)](#), affordable units would be required as follows:

- **Ten percent (10%) of proposed for-sale dwelling units** consisting of:
 - Five percent (5%) for low-income households (fractional units may be rounded down to the next whole number), and
 - Five percent (5%) for moderate-income households (fractional units may be rounded up to the next whole number)

Item 8a

*Option No. 1 – If accounting for the overall number of units on **both the North and South Sites**⁴, there would be a total of 355⁵ (senior and multifamily) for-sale units, which would require **35.5 affordable for-sale units**. These units can be provided through a combination of low- and moderate-income levels as described above and with or without in-lieu fee payment⁶.*

*Option No. 2 – If accounting for the assumed 165 for-sale multifamily units on **only the South Site** (and excluding the senior units that would be age-restricted on the North Site), the project would be required to provide **16.5 affordable for-sale units**. Similar to Option No. 1, these units can be provided as a combination of the identified affordability levels and with or without in-lieu fee payment.*

- **Six percent (6%) of proposed for-rent dwelling units** consisting of:
 - Three percent (3%) for very low-income households (fractional units may be rounded down to the next whole number), and
 - Three percent (3%) for low-income households (fractional units may be rounded up to the next whole number).

*If 36 for-rent multifamily units are proposed on the South Site, the project would be required to provide **2.16 affordable for-rent units**, which can be provided as a combination of the identified affordability levels and with or without in-lieu fee payment.*

These preliminary calculations show the project would be required to provide a total of **37.66 affordable units** (35.5 for-sale units for both Sites and 2.16 for-rent units on the South Site) or **18.66 affordable units** (16.5 for-sale and 2.16 for-rent units for only the South Site, excluding the age-restricted units on the North Site) based on the noted assumptions. **With the understanding that the project is requesting a General Plan Amendment and Rezoning for the R-4 zone, which results in approximately 55 additional density units from the anticipated R-3 zone for these sites, staff is seeking feedback on whether it would be appropriate to require affordable units as part of the project, even if the project is exempt from the City’s Inclusionary Housing Requirements.**

⁴ For the purposes of these preliminary calculations, the number of additional senior units achieved through the approximate 5.6 percent density bonus is removed. As proposed, the 5.6 percent bonus would allow an increase of approximately 9.19 density units, which can equate to 18 studio units (which is the maximum number of *additional dwelling units* with the density bonus request). Therefore, it is assumed that there would be a reduction of 18 units from the proposed 208 senior units to provide *190 senior units without the density bonus request*. In addition, it is assumed that the 201 multifamily units on the South Site consists of *165 for-sale and 36 for-rent units*.

⁵ This sum includes the assumed 190 for-sale senior units on the North Site and 165 for-sale multifamily units on the South Site.

⁶ For more information on possible combinations to address the inclusionary unit requirements, please refer to [Section 17.138.080\(A\)](#) (Fractional Numbers).

Next Steps

Staff is seeking direction from the City Council on whether to proceed with processing the project applications as proposed. This early consideration is an opportunity for Council to provide input on the project at the beginning of the review process. It should be noted that the current request for Council initiation does not constitute approval of any aspect of the project and only begins the required review process for these applications. **If Council provides direction to process these applications, staff is also seeking confirmation of the recommendation related to funding for the construction of the bypass and direction on the specific issue areas identified in the Council Agenda Report as they would affect the resulting project scope. Council may also provide direction regarding any other land use, design, fiscal, or other project-related element at the time of initiation for staff and the applicant to evaluate and address as part of the entitlement review process.**

If Council authorizes processing of the project and its associated applications, City staff will process the project through the following standard steps, including but not limited to:

1. Development review by City staff, including preparation of the:
 - a. Environmental review under the California Environmental Quality Act (CEQA);
 - b. Plan for Services (i.e., analysis of the annexation area's impact on overall City services and implementation of the recommendations derived from such analysis); and
 - c. Pre-Annexation Agreement (i.e., zoning clarifications, including allowable uses and applicable standards; required public infrastructure and utility improvements to be completed; payment of applicable fees, etc.).
2. Airport Land Use Commission public hearing for a consistency determination with the Airport Land Use Plan
3. Active Transportation Committee public hearing for a recommendation
4. Planning Commission public hearing for a recommendation
5. City Council public hearing for consideration of project approval **(and a resolution of intent is applicable, if the Annexation is pursued)**
6. Submittal to LAFCO **(applicable, if the Annexation is pursued)**

Public Engagement

The item is on the April 1, 2025 City Council Agenda for consideration of the initiation of these applications and noticing was provided for this hearing. The public has an opportunity to comment on the item at and/or before the hearing. If the Council authorizes staff to proceed with processing, there would be additional public hearings as part of the detailed review and legal notices would be provided as required for each public hearing.

In addition, the Applicant has directly engaged on multiple occasions with the neighboring communities (i.e., Los Verdes Park One and Two) to provide information on the project and obtain input on the proposed design.

CONCURRENCE

The Council Agenda Report was reviewed by the Community Development Department, Transportation Division, Finance Department, City Attorney, and City Administration for concurrence. If Council directs staff to proceed with processing these applications, all relevant departments and divisions would evaluate the project in detail as part of the review process.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to the recommended action in this report because the Council’s action does not constitute a “Project” under CEQA Guidelines Section 15378 (Project) or commit the agency to a definite course of action in regard to a project as described in CEQA Guidelines Section 15352 (Approval). If the General Plan Amendment, Rezone, and Annexation applications and other necessary decisions move forward, the project would be subject to the appropriate environmental review as required per CEQA, which will be presented at subsequent public hearings.

FISCAL IMPACT

Budgeted: No
 Funding Identified: No

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 is no net fiscal impact related to considering the initiation of the project. If the Council directs staff to proceed, the Applicant will be required to fund the review and processing of the applications, including services for a contract planner, and associated analysis and environmental review in accordance with the City’s fee schedule. The Applicant has paid the deposits required for the General Plan Amendment, Rezone, and Annexation applications to initiate the review process, and additional fees will be required to review and process subsequent applications related to the project.

ACTION ALTERNATIVES

1. ***Direct staff to move forward with processing the project applications, as proposed.*** This alternative includes processing of the General Plan Amendment, Rezone, and Annexation applications, as proposed. These applications would serve as the basis for the Broadstone Village project and all subsequent entitlement applications (e.g., Major Development Review, Subdivision, etc.) and analysis requirements (e.g., environmental review).
2. ***Direct staff to move forward with processing the project application(s), but with input from Council on any desired project revisions and/or directional items related to the project evaluation, including confirmation and feedback on the specific issue areas identified by staff in the report.*** This alternative would require that the Council provide staff and the applicant with clear direction on any desired project revisions, including but not limited to, the type of applications to process (i.e., all or a combination of the General Plan Amendment, Rezone, and Annexation applications), changes to the overall project scope, etc. as well as any directional items related to the project evaluation, including confirmation and feedback on the specific issue areas identified by staff, such as specific analysis or study requirements that would be necessary or beneficial when the Council reviews and makes a determination on the project in the future. *If Council provides direction to process the General Plan Amendment and Rezone, but not the Annexation, the project description would be revised as described in the report, and the bypass would not be pursued as part of the project. Subsequent review of the General Plan Amendment and Rezone applications would focus on evaluating and addressing impacts of the revised project description, including anticipated project impacts to the South Higuera/LOVR intersection, during the review process.*
3. ***Continue review of the initiation to a later hearing date and request additional information necessary for the Council to determine whether to move forward with processing the applications.*** This alternative would require that the Council provide staff and the applicant with clear direction on any additional information required to make a policy determination on whether to process. It should be noted that the Council's early consideration of these applications includes a preliminary overview of the project at the beginning of the review process. Since the project is in early stages of the overall entitlement and permitting process, detailed information and/or analysis is limited and would be forthcoming, if the review moves forward.
4. ***Direct staff to not move forward with processing the project applications.*** Per Municipal Code Section 17.130.020(C), the Council, upon making specific findings in reference to specific General Plan provisions, may direct the (Community Development) Director to reject the applications as inconsistent with overall General Plan policy direction.

ATTACHMENTS

- A - Broadstone Project Description
- B - Broadstone Project Plans
- C - County of SLO Department of Planning & Building, Public Works Letter