



Council Agenda Report

Item 6e

Department: Community Development
Cost Center: 4008
For Agenda of: 9/2/2025
Placement: Consent
Estimated Time: N/A

FROM: Timmi Tway, Community Development Director
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SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE NO. 1749 (2025 SERIES) REVOKING THE PLANNED DEVELOPMENT OVERLAY (ORDINANCE NO. 1687 [2020 SERIES]), RELATED TO A DEVELOPMENT PROJECT AT 1144 CHORRO STREET, AND AMENDING THE ZONING MAP FOR THE SEVEN (7) ASSOCIATED P

RECOMMENDATION

Adopt Ordinance No. 1749 (2025 Series) entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, revoking the Planned Development Overlay (Ordinance No. 1687 [2020 Series]), related to a development project proposed at 1144 Chorro Street, and amending the Zoning Map to rezone the seven (7) associated properties from C-D-PD and C-D-H-PD to C-D and C-D-H, respectively. The project is exempt from environmental review (CEQA) (1144 Chorro Street; 895, 898, and 973 Higuera Street; 876 and 890 Marsh Street; and 868 and 870 Monterey Street; PDEV-0428-2023)."

PROJECT REQUEST

On behalf of Copeland Properties, Jamestown Premier Retail LP, and NKT Commercial (Applicants and Affected Property Owners), Mark Rawson (Representative) submitted a Planned Development (PD) Amendment (PDEV-0428-2023) to revoke the PD Overlay ([Ordinance No. 1687 \[2020 Series\]](#)) for seven (7) properties located at 1144 Chorro Street; 895, 898, and 973 Higuera Street; and 876 and 890 Marsh Street, all of which are owned by the Affected Property Owners. Revocation of the PD Overlay would rezone these properties from the Downtown Commercial Zone with Planned Development Overlay (C-D-PD) and Downtown Commercial Zone with Historic and Planned Development Overlays (C-D-H-PD) to Downtown Commercial Zone (C-D) and Downtown Commercial Zone with Historic Overlay (C-D-H), respectively.

The PD Overlay was originally adopted for these properties in order to facilitate a specific mixed-use development proposed at 1144 Chorro Street. Due to various changes in circumstances, this proposed mixed-use development will no longer occur, and the Applicants are now requesting to revoke the PD Overlay as a clean-up to the Zoning Map. Revocation of this overlay is intended to clarify the regulations that would apply to future development projects on these affected properties.

POLICY CONTEXT

Per San Luis Obispo Municipal Code (SLOMC) [Section 17.48.100](#), a rezoning process, which includes review by the Planning Commission and adoption by the City Council, is required to remove the PD Overlay.

DISCUSSION

Previous Council and Advisory Body Review

On September 17, 2019, the City Council initiated the project review with consideration of the Community Benefits and Mandatory Project Features for the PD Overlay (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019).

On June 1, 2020, the Architectural Review Commission recommended approval of the mixed-use project with direction to the Planning Commission for consistency with the Community Design Guidelines (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019).

On June 22, 2020, the Cultural Heritage Committee recommended approval of the mixed-use project with direction to the Planning Commission for consistency with the Historic Preservation Ordinance and Historic Preservation Program Guidelines (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019).

On July 8, 2020, the Planning Commission recommended approval of the mixed-use project with direction to the City Council for consistency with the General Plan and Zoning Regulations (ARCH-1687-2018, PDEV-0509-2019, and EID-0475-2019).

On August 18, 2020, the City Council introduced an ordinance amending the Zoning Regulations Map to change the zoning designation of seven (7) properties from C-D-H to C-D-H-PD and C-D to C-D-PD for a PD Overlay; and approved the mixed-use project consisting of approximately 30,000 square feet of commercial/office space and 50 residential dwelling units (ARCH-1687-2018, PDEV-0509-2019 and EID-0475-2019).

On September 1, 2020, the City Council adopted an ordinance (Ordinance No. 1687 [2020 Series]) amending the Zoning Regulations Map to change the zoning designation of the associated properties from C-D to C-D-PD and C-D-H to C-D-H-PD (PDEV-0509-2019 and EID-0475-2019).

On August 28, 2024, the City Council's approval of the mixed-use project consisting of approximately 30,000 square feet of commercial/office space and 50 residential dwelling units expired (ARCH-1687-2018, PDEV-0509-2019 and EID-0475-2019).

On May 15, 2025, the Community Development Department received a complete application submittal confirming that all affected owners of the seven (7) associated properties are in agreement and request to revoke the PD Overlay (PDEV-0428-2023).

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On July 9, 2025, the Planning Commission reviewed and unanimously recommended the City Council revoke the PD Overlay because required findings for its initial approval would no longer be applicable and/or met.

On August 19, 2025, the City Council voted 5 – 0 to introduce Ordinance No. 1749 (2025 Series) revoking the PD Overlay (Ordinance No. 1687 [2020 Series]), related to a development project proposed at 1144 Chorro Street, and amending the Zoning Map to rezone the seven (7) associated properties from C-D-PD and C-D-H-PD to C-D and C-D-H, respectively. While the PD Overlay does not preclude changes in use (e.g., changes in commercial uses) for these properties, its revocation would address potential confusion and/or conflict for future development projects that include the construction of new residential units on individual properties affected by the overlay.

If Council adopts Ordinance No. 1749 on September 2, 2025, it shall be effective 30 days after its final passage.

Public Engagement

In accordance with Government Code Section 65854, public notice was provided at least 20 days before the Planning Commission hearing on July 9, 2025. Public notice was duly provided for introduction and adoption by the City Council on August 19, 2025 and September 2, 2025, respectively. The public has the opportunity to comment on the item before and/or at each hearing.

CONCURRENCE

The Council Agenda Report was reviewed by the Community Development Department, Finance Department, City Attorney, and City Administration for concurrence.

ENVIRONMENTAL REVIEW

The project is exempt from environmental review under Section 15061(b)(3) (General Rule Exemption) of the CEQA Guidelines. This “Common Sense” exemption states that CEQA only applies to projects that have the potential for causing significant effect on the environment. Since the scope of this request is limited to an amendment on the Zoning Map and does not facilitate any development project, it would not have an effect on the environment. Additionally, the mitigation measures required as part of the PD Overlay adoption in 2020 were only applicable to the development project for 1144 Chorro Street as proposed at the time. Should there be any new development proposed at 1144 Chorro Street or any of the other affected properties, those projects would be evaluated on an individual basis for consistency and compliance with all applicable regulations in effect at that time, including environmental review.

FISCAL IMPACT

Budgeted: N/A

Budget Year: 2025-26

Funding Identified: Yes

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

The PD Amendment application for this revocation request was paid by the Applicant, and there is no upfront cost resulting from the revocation of the PD Overlay on the Zoning Map. If Council adopts the Ordinance to revoke the overlay, subsequent development projects proposed on these properties would be subject to the appropriate permitting applications, which are applicant-funded review processes.

ALTERNATIVES

1. Council may decide to modify the Ordinance to revoke the PD Overlay before adoption. Depending on the changes proposed, modification of the Ordinance may require reintroduction and then adoption during a subsequent public hearing, which will delay implementation of the Ordinance.
2. Council may decide not to adopt the Ordinance to revoke the PD Overlay. Retention of the PD Overlay would mean that a reference to an expired development project and its associated requirements would remain on the Zoning Map. If the reference remains, it may result in (a) confusion related to the number of allowable density units for individual properties affected by the overlay and/or (b) conflict for future development projects that include the construction of new residential units because one of the primary purposes of this PD Overlay is to allow the transfer of density credits to a specific property at 1144 Chorro Street.

ATTACHMENTS

- A. Ordinance No. 1749 (2025 Series)