



Department: Community Development
Cost Center: 4003
For Agenda of: 12/2/2025
Placement: Public Hearing
Estimated Time: 15 Minutes

FROM: Timmi Tway, Community Development Director
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SUBJECT: ABANDONMENT OF A PORTION OF CHURCH STREET RIGHT-OF-WAY
AT 1804 OSOS STREET

RECOMMENDATION

1. Conduct a public hearing pursuant to California Streets and Highways Code (CSHC) § 8320 *et seq.*
2. Adopt a Draft Resolution entitled, "A Resolution of the City Council of the City of San Luis Obispo, California, abandoning a 6-foot-wide portion of Church Street public right-of-way adjacent to 1804 Osos Street" and authorize recordation once conditions of abandonment have been met.

POLICY CONTEXT

The abandonment of public right-of-way is required to be considered and approved by the City Council following a public hearing pursuant to California Streets and Highways Code (CSHC) § 8320 *et seq.*¹

DISCUSSION

Background

On April 21, 2009, the City Council approved a vesting tentative map for Parcel Map SLO 07 0094 (TR 45-07) located at 1804 Osos Street and adopted [Resolution No. 10074 \(2009 Series\)](#) stating the City's intent to abandon a portion of Church Street right-of-way to facilitate infill development of the site (Attachment C – Vicinity Map). The approved tentative map and the project's Architectural Review Commission Approval ARC 45-07 dated January 26, 2009, both show the abandoned right-of-way being incorporated into the proposed development to allow for an enlarged sidewalk to allow for sidewalk dining and expanded building footprints.

The portion of Church Street to be abandoned currently includes a public sidewalk. The subdividers of Parcel Map SLO 07 0094 will eventually be relocating the sidewalk so it is entirely within the remaining public right-of-way. Until such time as the sidewalk is relocated, a temporary public pedestrian easement will be required.

Prior to Council approval, on February 25, 2009, the Planning Commission approved

¹ This abandonment is not eligible for summary vacation under the procedures of Streets & Highways Code §8330-8336, so a public hearing is required.

Item 6c

Resolution No. 5518-09 (Attachment D) finding that the proposed abandonment of a portion of Church Street was consistent with the General Plan. The findings of the Planning Commission regarding the proposed abandonment remain valid and accurate, including that the proposed area for abandonment is not needed for present or future public purposes.

After the April 21, 2009, City Council action to adopt [Resolution No. 10074 \(2009 Series\)](#) stating the City's intent to abandon the portion of Church Street right-of-way, a public hearing was scheduled for June 2, 2009, to finalize the abandonment of the portion of right-of-way. That public hearing was postponed so that the City and applicant could finalize the abandonment of the portion of right-of-way concurrently with an associated real property transfer on Railroad Avenue, which was also associated with the development. A public hearing was then scheduled for January 20, 2015, to finalize the abandonment of the portion of right-of-way and approve the real property exchange agreement. Ultimately, the property exchange agreement was approved at that meeting via City Council's adoption of [Resolution No. 10592 \(2015 Series\)](#), but the public hearing for the abandonment of the portion of right-of-way was postponed.

In anticipation of the public hearing on January 20, 2015, required notifications were sent to the affected utility companies regarding the proposed abandonment. All of the utility companies responded that they had no facilities within the area to be abandoned. In addition, required public notices and postings were completed pursuant to the requirements of the California Streets and Highways Code Sections 8320 to 8325 for General Vacation procedures.

Item 6c

In order to finalize the Real Property Exchange Agreement (Attachment E), the City required that the developer also execute an Environmental Indemnity Agreement (Attachment F) that protects the City from any liability due to the condition of the property being transferred. In order to finalize the Real Property Exchange Agreement (Attachment E), the City required that the Developer also execute an Environmental Indemnity Agreement (Attachment F) that protects the City from any liability due to the condition of the property being transferred. The Developer's original lender was not willing to sign the Environmental Indemnity Agreement so the document was never executed and the property transfer did not occur in 2015. The Developer now has a new lender that is willing to sign the Environmental Indemnity Agreement. Additionally, the Developer recently completed patio improvements in the area that will be transferred via the Real Property Exchange Agreement that serve a new business in the first story of one of the buildings. In order to support the patio for the business, and complete the execution of the Real Property Exchange Agreement, the Developer requested an administrative update to the Real Property Exchange Agreement and associated Environmental Indemnity Agreement for execution. While updating the Real Property Exchange Agreement and Environmental Indemnity Agreement, staff discovered that the abandonment of the 6-foot-wide portion of Church Street was never finalized via adoption by the City Council of a Resolution of Abandonment, and recordation of that Resolution. This abandonment by the City is required to facilitate the Real Property Exchange Agreement.

Staff confirmed that the prior actions by the Planning Commission and City Council in 2009 to begin this right-of-way abandonment (including adoption of the Resolution of intention to abandon) remain valid, and the abandonment may continue at this time per the requirements for right-of-way abandonments of the California Streets and Highways Code. Required notifications were sent to the affected utility companies regarding the proposed abandonment again in August 2025, and all affected utility companies confirmed that they did not have any facilities that would be affected by the proposed abandonment. Required notifications were sent to the affected utility companies regarding the proposed abandonment again in August 2025, and all affected utility companies confirmed that they did not have any facilities that would be affected by the proposed abandonment. In addition, required public notices and postings were once again completed pursuant to the requirements of the California Streets and Highways Code Sections 8320-8325 for General Vacation procedures.

Approving the Abandonment of a Portion of the Church Street Right-of-Way

The draft resolution approving the final abandonment (Attachments A & B) defines the area of Church Street to be abandoned. The Streets and Highways Code requires that the resolution be recorded once all conditions of the abandonment have been met, thereby acknowledging that the vacation is complete. The draft resolution includes a condition that a temporary pedestrian easement for the sidewalk be recorded concurrently with the vacation. The draft resolution also authorizes the Mayor to accept this dedication.

Abandonment Benefit to Owner and City

In some circumstances where street right-of-way is proposed for abandonment, the additional property has value to the adjacent landowner. In this case, the abandonment is part of a beneficial transaction to both the property owner and the City with the subdividers of Parcel Map SLO 07-0094 to provide infill development and to complete parking reconfiguration, accessible path of travel upgrades, sidewalk improvements, landscaping and irrigation, signing and striping, and drainage improvements outlined in the Real Property Exchange Agreement, which was previously approved by City Council on January 20, 2015. The City is not required to demand payment in exchange for the abandonment and is not doing so in this case.

Previous Council or Advisory Body Action

On April 21, 2009, the City Council adopted [Resolution No. 10074 \(2009 Series\)](#) stating the City's intent to abandon the portion of Church Street right-of-way. On January 20, 2015, the City Council adopted [Resolution No. 10592 \(2015 Series\)](#) approving the Real Property Exchange Agreement and Environmental Indemnity Agreement.

Public Engagement

California Streets and Highways Code Section 8322 requires a legal ad be published in the newspaper for at least two successive weeks prior to the public hearing. In addition, Section 8323 requires that three notices be placed at the site at least two weeks prior to the public hearing giving notice of the proposed abandonment. The notices must not be more than 300-feet apart. The legal ad and notices at the site were all completed ahead of this public hearing. In addition, Section 8324 requires that the City Council must allow for public comment by interested parties at the public hearing.

CONCURRENCE

The Public Works Department concurs with the recommended action. The City Attorney's office has reviewed and approved as to the form the Real Property Exchange Agreement and the Environmental Indemnity Agreement.

ENVIRONMENTAL REVIEW

The proposed vacation of the 6-foot-wide portion of Church Street right-of-way is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to Class 1 (Existing Facilities) exemption (§15301), as it involves a minor right-of-way abandonment with no significant impact on land use or the environment. The abandonment will not affect public access, or circulation. The abandonment is consistent with the General Plan.

FISCAL IMPACT

Budgeted: No
 Funding Identified: No

Budget Year: N/A

Fiscal Analysis:

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

There is no cost to the City associated with this proposed abandonment. Once the sidewalk is relocated, City street maintenance responsibilities for the abandoned portion will be eliminated, which will lower maintenance costs on Church Street.

In addition, while the City does not pay property taxes for the land as a public agency, the additional square footage that would be added to each of the adjacent properties would be assessed by the County Assessor’s Office once the abandonment is complete and could result in higher property taxes for each property owner.

ALTERNATIVES

Deny the proposed abandonment. If City Council denies the approval of the proposed abandonment, the project as proposed by the subdividers of Parcel map 07-0094 could not be built in its approved configuration. This would be in conflict with the discretionary approvals already granted to the subdividers by the City. The City would retain ongoing maintenance responsibilities for the area that does not serve a public purpose.

Continue the item to a future meeting. The City Council could continue this item to a future meeting and request more information of staff prior to approving the abandonment.

ATTACHMENTS

- A - Draft Resolution abandoning a 6-foot-wide portion of Church Street public right-of-way adjacent to 1804 Osos Street
- B - Exhibits A and B to the Draft Resolution
- C - Vicinity Map
- D - Planning Commission Resolution No. 5518-09
- E - Real Property Exchange Agreement
- F - Environmental Indemnity Agreement