



Council Agenda Report

Item 6a

Department: Community Development
Cost Center: 4003
For Agenda of: 4/19/2022
Placement: Public Hearing
Estimated Time: 30 Minutes

FROM: Michael Codron, Community Development Director
Prepared By: Graham Bultema, Assistant Planner

SUBJECT: REVIEW AND ACCEPT THE 2021 GENERAL PLAN ANNUAL REPORT

RECOMMENDATION

As recommended by the Planning Commission, receive and file the 2021 General Plan Annual Report.

DISCUSSION

Background

California Government Code Section 65400 requires that cities submit an annual report (Attachment A) on the status of their General Plan and progress in its implementation to the Governor's Office of Planning and Research and Department of Housing and Community Development. Prior to submittal to the state, the annual report must be presented to the City Council for review and acceptance. The General Plan Annual Report is strictly a reporting document and does not create or modify any City goals or policies found within the General Plan.

Policy Context

According to Land Use Element Policy 11.3 the City shall prepare an annual report on the status of the General Plan, which is to include the following items:

- A) A summary of private development activity and a brief analysis of how it helped meet General Plan goals;
- B) A summary of major public projects and a brief analysis of how they contributed to meeting General Plan goals;
- C) An overview of programs, and recommendations on any new approaches that may be necessary;
- D) A status report for each General Plan program scheduled to be worked on during that year, including discussion of whether that program's realization is progressing on schedule, and recommendations for how it could better be kept on schedule if it is lagging;
- E) A status report on how the City is progressing with implementing its open space preservation policies and programs;
- F) Updated population or other information deemed important for the Plan.

The General Plan Annual Report is an opportunity for the City to keep the General Plan current by reflecting on how well the Plan continues to meet the City's goals and objectives. It is also an opportunity to review how well the programs identified in the Plan are being implemented and to determine if programs are still relevant or if priorities should be reassigned.

In addition, assessment of the implementation of the General Plan informs the City Council about the availability of resources and about programs and projects that might be initiated as the City develops a new financial plan. During the budgeting process, City Council reviews the progress being made to implement the General Plan and decides whether or not to move forward with additional work programs over the next two years.

Report Organization

The General Plan contains an array of policies and implementing programs covering most types of City actions. General Plan implementation supports the quality of life objectives for the community that serve as the foundation for the General Plan. Activities undertaken by the City through its Capital Improvement Program projects, project plans and studies, facility maintenance and management, and inter-agency coordination each play a part in the General Plan Implementation. The General Plan Annual Report touches on the major programs that saw activity in 2021. The report is organized around the following key implementation areas:

1. General Plan Element Updates
2. Community Development Department
3. Planning and Building Activity
4. Regional Housing Needs Allocation (RHNA) Progress
5. Housing Element Program Implementation
6. Residential Growth
7. Non-Residential Growth
8. Specific Plan Implementation & Development
9. Municipal Code Updates
10. Climate Action Plan
11. Economic Development
12. Policy Initiatives
13. Water Supply
14. Circulation
15. Safety
16. Neighborhood Wellness
17. Conservation & Open Space Protection
18. Parks & Recreation

Report Highlights

In 2021, the City continued to make progress implementing General Plan Programs.

General Plan Element Updates

- A - Parks & Recreation Element: The City continued work and public outreach on the Parks and Recreation Element and Master Plan update, also termed “Parks + Recreation Blueprint for the Future: 2021- 2041”. The Parks and Recreation Blueprint for the Future was adopted by the City Council in July 2021.
- B - Safety Element: The City also continued working on the Safety Element update throughout 2021, including continued community outreach efforts as part of a project called “Stories of a Resilient SLO”. The City anticipates that the Safety Element will be renamed the Community Resilience and Public Safety Element” and is targeted to be completed in 2022.
- C - Housing Element: The City’s 6th Cycle Housing Element was adopted by City Council in November 2020. In 2021, City staff continued to coordinate with the California Department of Housing and Community Development (HCD) regarding remaining minor changes required for state certification. In September 2021, HCD determined the City’s 6th Cycle Housing Element to be in full compliance with State Law and certified the document.

Major City Goals

1. Fiscal Year 2019-21 Meta Goal: In response to the COVID-19 pandemic, the Major City Goals from Fiscal Year 2019-21 were reorganized in June 2020 into one Meta Goal of Economic Stability, Recovery, and Resiliency. This Meta Goal was the City’s priority throughout the end of 2020 and the beginning of 2021.
2. Fiscal Year 2021-23 Major City Goals: The City’s Major City Goals for Fiscal Year 2021-23 were adopted through the FY 2021-23 Financial Plan which was approved in June 2021. These Major City Goals are: Economic Recovery, Resiliency, and Fiscal Sustainability; Diversity, Equity, and Inclusion; Housing and Homelessness; and Climate Action, Open Space, and Sustainable Transportation. These Major City Goals resulted in significant activity in these General Plan program areas and will continue to be the City’s top priority throughout FY 2021-23.

Planning and Building Activity

Development activity in the City continued in 2021 but was reduced compared to previous years. 608 building permits were issued in 2021, a slight 3 percent decrease compared to 2020. Permit reviews for plan check submittals and resubmittals were also slightly reduced in 2021 with 1,426 applications submitted, compared to 1,438 applications submitted in 2020.

Based on the Community Development Department's running total of "finaled" permits for non-residential construction, 65,510 square feet of floor area was added to the City in 2021, yielding a five-year net non-residential growth rate of 2.08 percent (as shown in Figure 2 on page 27). LUE Policy 1.11.4 states that the City Council shall consider establishing limits for the rate of non-residential development if the increase in non-residential floor area for any five-year period exceeds five percent. The City is significantly below the threshold to establish any non-residential growth limit at this time.

Residential Growth Management

The Land Use Element policy related to residential growth (LUE 1.11.2) states that the City's housing supply shall grow no faster than one percent per year, on average, based on established thresholds in Table 3 of the Land Use Element. Based on the Community Development Department's residential building permit data, the City has maintained an average annual growth rate of 0.81 percent per year since 2015, in compliance with the one percent maximum average annual growth rate.

From 2015 to 2021, the City granted occupancy to 1,621 newly constructed residential units (also accounting for the 36 units that were demolished between 2015 and 2021). Of the 1,621 units constructed between 2015 -2021, 1,207 units were subject to the Growth Management Ordinance. Of the units exempt from the growth management ordinance, 230 units were deed restricted for affordable housing, 181 units were identified as Accessory Dwelling Units or Junior Accessory Dwelling Units, and 3 units were located within the Downtown Commercial (C-D) zone. As of 2021, there are a total of 22,018 residential units subject to the Growth Management Ordinance within the City, where the 2015 LUE estimated 22,416 units for 2021.

Development Phasing of Specific Plan Areas

The City updated the General Plan Land Use and Circulation Elements in 2015, however, some of the housing construction occurring today within the Orcutt Area and the Margarita Area was planned for in the previous General Plan. Due to a variety of factors, some of the development originally planned in the 1994 General Plan is only now under construction. LUE Policy 1.11.2 (Residential Growth Rate) states that the approved specific plan areas may develop in accordance with the phasing schedule adopted by each specific plan, provided that thresholds established by LUE Table 3 are not exceeded. Of the 1,621 units granted occupancy from 2015 to 2021, 692 of the units were located within Specific Plan areas.

Housing Development in San Luis Obispo

Housing production has been a Major City Goal for several financial plans and the City has prioritized policies that support new housing production. Lack of affordable housing and workforce housing continues to be an obstacle for many residents in San Luis Obispo. The good news is that the City is purposefully growing in alignment with the community's long-range plans and highest priorities. Current levels of residential growth are consistent with the City's Growth Management Ordinance and State obligations to accommodate its Regional Housing Needs Allocation. The City has planned its resources to support a build out" population of 57,200 residents, while the current State population estimate for the City is 46,058 residents as of January 1, 2021.

General Plan/Zoning Pressures

City Staff has been approached by various interested parties regarding several properties within the Urban Reserve Line or within City Limits that in total would likely trigger the need for an update to the General Plan and/or specific plans. Many of these changes would likely produce a variety of housing types, including housing units at desired levels of affordability. None of these efforts have been initiated or authorized by City Council, yet they are noted in this Staff Report to highlight the emerging tension between remaining housing/development capacity, build out, and a full analysis of resources such as water, transportation, etc. No specific action is being requested; this information is noted for the Council for potential discussion.

Previous Advisory Body Action - 2022

The Planning Commission reviewed the 2021 General Plan Annual Report in March 2022. Staff responded to Planning Commission questions regarding timelines for upcoming Housing Element programs, such as the Inclusionary Housing Ordinance update and the Flexible Density Ordinance, and also provided details regarding homelessness, specifically about response efforts and highlights in 2021. The report was unanimously recommended to be forwarded to the City Council.

Public Engagement

As the General Plan Annual Report is strictly a reporting document and does not create nor modify any goals or policies found within the General Plan, there is no requirement for public engagement. However, once accepted by the City Council, the Report will be available on the City's website for public review.

CONCURRENCE

The Community Development Department prepares the General Plan Annual Report with significant input from other City departments. Administration (including Natural Resources, Economic Development, and Office of Sustainability divisions), Utilities, Public Works, Police, Fire, and Parks and Recreation Departments collaborated with the Community Development Department on this report.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply because the General Plan Annual Report does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: No

Budget Year: N/A

Funding Identified: No

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			

When the General Plan was prepared, it was accompanied by a fiscal impact analysis, which found that overall, the General Plan was fiscally balanced. The Annual Report does not change the General Plan and, therefore, has no fiscal impact.

ALTERNATIVES

Continue consideration of the 2021 General Plan Annual Report. Although no action is recommended in association with this recommendation, the City Council could ask staff to return during a future meeting to present additional information.

ATTACHMENTS

A - 2021 General Plan Annual Report