

City of

**Paso
Robles**



Housing Element Update

**City Council/Planning Commission
Joint Workshop | August 4, 2020**

Overview

- Housing Consultant, MIG
- Housing Constraints and Opportunities Committee
- Housing Element Requirements
- Public Input
- Draft Housing Element
- Timeline and Next Steps
- Questions/Discussion



HOUSING CONSTRAINTS AND OPPORTUNITIES COMMITTEE

Housing Constraints and Opportunities Committee Members



- Amy Russell
- Bruce White
- Carlos Olveda
- David Cooke
- Greg Haas
- Joel Neel
- John Donaldson
- Kenneth Trigueiro
- Larry Werner
- Mark Koegler
- Steve Gregory
- Steve Martin
- Vince Vanderlip



HOUSING ELEMENT REQUIREMENTS

Facts

- A state-required General Plan element
- Only General Plan element that requires review and “certification” by a State agency, the Department of Housing & Community Development (HCD)
- Implements the Regional Housing Needs Allocation (RHNA)

Legislative Intent

“The availability of housing is of **vital statewide importance**...[and] local and state governments have a responsibility to use the powers vested in them to **facilitate the improvement and development of housing** to make adequate provision for the housing needs of **all economic segments** of the community.”

Timeline

Periodic updates required by State law:

- 2020-2028 update due December 31, 2020
- If adopted on time, Housing Element valid for eight years
- If not adopted on time, Housing Element valid for four years and a **four-year update** is required



PUBLIC INPUT

January 29, 2020 Workshop



- Overview
- Introductions
 - Housing Element Background
 - Share your thoughts:
 - What are the key housing issues in Paso Robles?
 - How can City policies best address local housing needs?



January 29, 2020 Workshop

PASO ROBLES HOUSING ELEMENT 1-29-2020



POTENTIAL LOCATIONS

CHALLENGES

- NEED FOR POINT PERSON TO ASSIST w/ LOW-MOD.
- COSTS ↑ LAND/CONST.
- NOT ENOUGH AFFORDABLE OR MARKET RATE HOUSING
- TRAFFIC IS DISINCENTIVE TO BUYERS - EVERYWHERE!
- RIVER RD/NIBLCK = CONGESTED
- BING AFFORDABILITY - ARE NEW UNITS REALLY AFFORDABLE?
- INCOME DISPARITIES e.g. #2 COMMUNITY
- INCOME PROHS FOR BUILDING
- OUT-OF-AREA BUYERS HARD TO COMPLETE
- REENTER PROTECTION NEEDED
- NOT BEING ABLE TO ↑ RENT BUT DON'T WANT TO DISPLACE

PHASE UP UNITS FOR PROHS
BE CREATIVE!

OPPORTUNITIES



- CONNECTIONS TO WEST SIDE
- REDEMPTION AVAIL. UNITS
- COST OF PERMITS
- ENERGY RQMTS + WATER NEEDS RAISES COSTS
- SHORTAGE OF LABOR - TRADES
- TIME FRAME FOR APPROVALS - LONG
- COMPLICATED PROCESS FOR LARGE PROJS.
- SEED + TRANSPORTATION
- LOTS SPLITS CREATE ALLY CHALLENGES
- UTILITY LOGISTICS
- PUBLIC SAFETY + TRANSIT
- PROHS!
- NEED ADDITIONAL FINANCING (GAP) OR AFFORDABLE
- MULTI-FAM HSG.
- REENTER PROTECTIONS
- CONSIDER SMALLER UNITS TO BRING COSTS ↓
- TRAIN HS STUDENTS IN TRADES
- AB795 OPPS + ADUS
- DIRECTION ON ADUS CITY POLICY - CLEAR
- UNDERSTAND PARAMETERS FOR LOT SPLITS + RQMTS
- ALLOW FOR MORE LOT SPLITS
- RETHINK ZONING CODE FOCUS ON UPDATE
- PR2 - CLEAR DEFINE FOR 2ND STORY
- DELAY FEES FOR DEVELOPERS
- LOCAL PREF FOR BUYERS, CONTRACTORS + WORKERS
- CITY RESERVES IN BANKS FOR HOUSING FINANCING
- FAST-TRACK LOT SPLIT FOR AFFORDABLE HSG. (MULTI-FAM ZONES)
- MANAGE SHORT-TERM RENTALS
- ACHIEVE AFFORDABLE RENTALS
- PROP. TAX RENEW OTGIE ACMTS - CHANGE STATE TAX POLICY
- TIERED RATES FOR PVMT. IMPACT FEES FOR TINY HOMES/LSH
- PROTOTYPES FOR ADUS STREAMLINE PROCESS!
- PERSON SPECIFIC PROPERTIES
- REPURPOSING FOR HSG.

- PARCEL-BY-PARCEL DATABASE
- WEST SIDE THIS SPACE BUT NOT CONVENIENT CONNECTION TO WEST SIDE
- WILLIAMS BROS TO WEST SIDE PROP FOR MULTI
- WOODLAND PLAZA
- NEED TO REZONE SPECIFIC PROPERTIES
- CRESTON

HCOOC Meeting: January

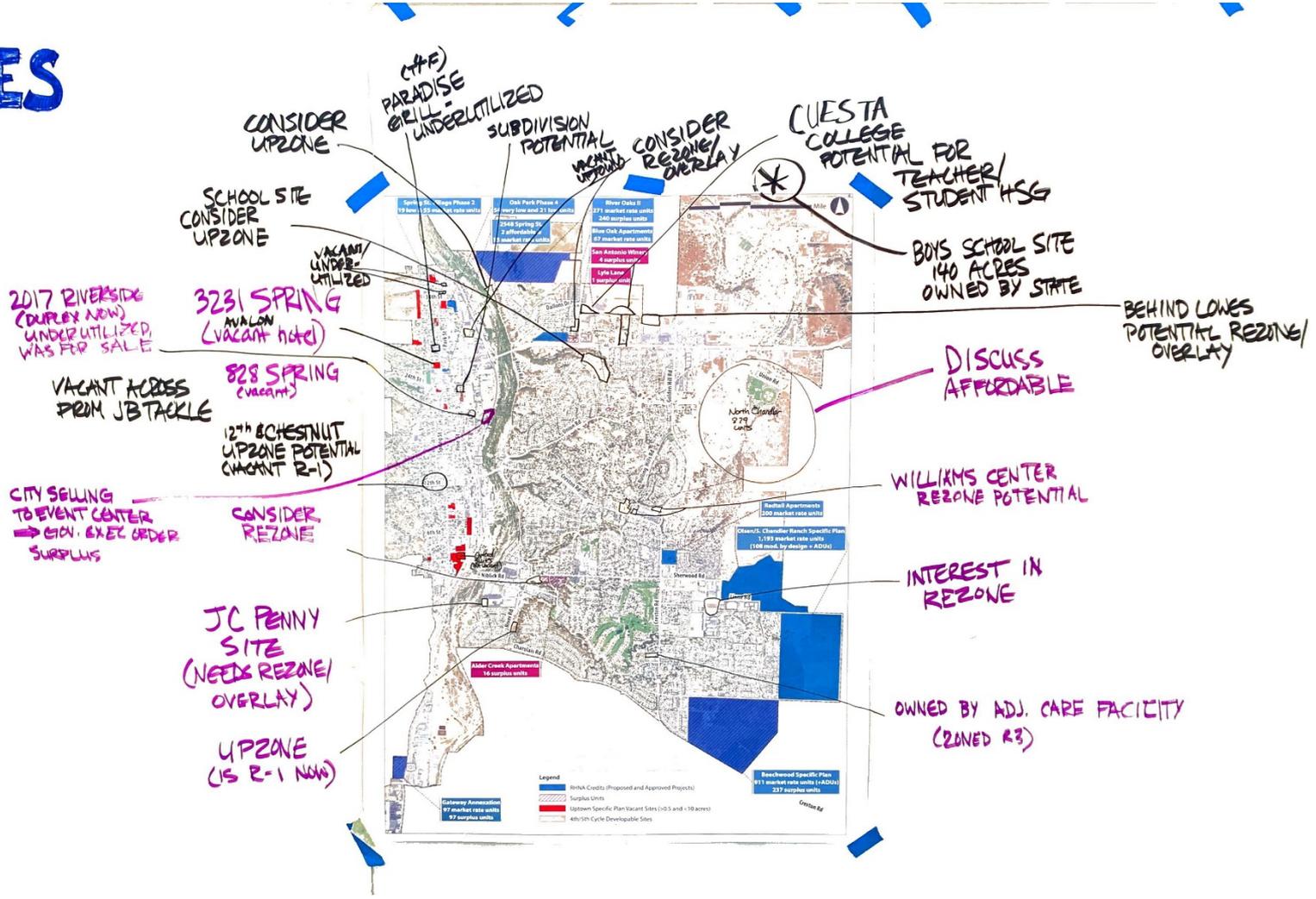


HCOC Meeting: February

PASO ROBLES

HCOC MEETING
2.13.20

POTENTIAL SITES TO MEET THE RHNA



HCOOC Meeting: March

Paso Robles

HOUSING ELEMENT

HCOOC 3.12.20

PRIORITY FOR SURPLUS

- CONSIDER SURPLUS ASSUMPTIONS/ 2013 DECISIONS
- CONSIDER SCHOOL DISTRICT NEEDS/ POLICIES
 - REDUCING BUSING
 - GROWTH IS OCCURRING IN EAST; WEST IS A CHALLENGE
 - ABOVE MOD NOT LIKELY TO SUPPORT STARTER FAMILIES/MORE STUDENTS SOLD
 - CONSIDERING SCHOOL CONSOLIDATION
 - STATE IS PLANNING FOR DECLINING ENROLLMENT
 - MONTEBELLO DOES NOT ANTICIPATED TO BE SOLD
- COMPETE WELL FOR TCAC SHOULD BE PRIORITY
- ENCOURAGE 'DOWNTOWN' HOUSING
 - UPTOWN HAS CAPACITY FOR 900 UNITS
- SLO DENSITY UNITS BASED ON # BEDROOMS



MAKE IT EASIER TO BUILD = DEFINED FLEXIBILITY w/ MENU OF OPTIONS

- LOOK AT SANTA ROSA FOR STREAMLINING TOOLS
- REDUCE PARKING/ DEVELOPMENT STANDARDS
 - OPEN SPACE
 - RESP. WALK
 - PARKS
 - PAY IN LARGER PARK?
 - DENSITY
 - SETBACKS
- CONSIDER OVERLAY ZONE FOR AFFORDABLE HSG W/ BY RIGHT DEVELOPMENT TRACK ON PRIORITY SITES
 - 5+ UNITS IN UPTOWN IS CURRENTLY REVIEWED BY PC - CONSIDER REVISING THRESHOLD
 - ATASCADERO BY-RIGHT SITES (JUST DRO)
- AUSTIN: ALLOW UPTOWNING FOR AFFORDABLE PORTION OF DEVELOPMENT
- CONSOLIDATE CONCESSIONS/ RELAX DEFINITION FOR CONCESSIONS FOR DENSITY BONUS
- FLEXIBILITY/ CONCESSIONS FOR AFFORDABLE HOUSING (EVEN W/O DENSITY BONUS MIX OF HOUSING SIZES THROUGH DENSITY UNIT ADJUSTMENTS LIKE SLO - GOAL IS FOR MIX, NOT JUST STUDIOS

PROVIDE INCENTIVES

- INCLUSIONARY IN-LIEU FEES ARE EFFECTIVE - ANY ORDINANCE SHOULD HAVE THIS
 - LAND DONATION IS ALSO EFFECTIVE
- CONSIDER POTENTIAL MARKET DISINCENTIVE
 - MUST FIND AN INCENTIVE TOO
- LINK TO STATE OF THE MARKET FOR ANY INCLUSIONARY
- COMMERCIAL LINKAGE SHOULD NOT APPLY TO HEAD OF HOUSEHOLD JOBS. IF DONE AT ALL
 - APPLY TO LOW PAYING JOBS, HOTELS
 - DON'T INTERFERE TOO MUCH

BUILD CAPITAL POOL

- STATE PROGRAM ON LINKED DEPOSITS (INSURED TO \$250K IN ONE BANK) - BRING THESE BACK TO LOCAL BANKS THROUGH POOL/RISK SHARE
- CONSIDER TOT
 - CITY HESITANT TO DEDICATE UNLESS IT IS INCREMENT OF INCREASE
- HOUSING TRUST FUND
- EXPLORE MORE P3
 - e.g. SILICON VALLEY TRUST FUND - LOCAL PAY INTO CAPITAL POOL
- REVOLVING LOAN FUNDS

HCOC Meeting: May



HCOC MEETING #4 | 5.21.20

UPTOWN DENSITY ASSUMPTIONS

- IN R-3 AND T-3N ALLOW 3 UNITS, BUT ADD MINIMUM LOT SIZE REQUIREMENT

- EXTENSION OF UTSP COULD EXTEND NEW DENSITY ASSUMPTIONS TO THE EXTENDED AREA

- ADUS: CONSIDER NO REQUIREMENT FOR PARKING IN UPTOWN (EXTEND BEYOND 1/2 MILE OF TRANSIT)

- CAN IT BE MORE THAN 30 DU/AC IN COMMERCIAL ZONES? THIS WILL SUPPORT SMALLER UNIT SIZES

SURPLUS DENSITY UNITS

- FRACTIONAL UNITS HAVE BEEN CONSIDERED FOR WATER METERS/FEEES IN PAST (JEFFRIES PROJECT)

PROJECT ATTRIBUTES TO CONSIDER FOR PRIORITY ALLOCATION OF SURPLUS UNITS:

- CONSIDER IMPACT ON CITY BUDGET FOR PROJECT ATTRIBUTES FOR PRIORITY -- RESIDENTIAL DEVELOPMENT SHOULD SUPPORT ITSELF/ABILITY TO PARTICIPATE IN CFD

- CAP AND TRADE FUNDS RELY ON PROJECTS BEING CLOSE TO TRANSPORTATION CORRIDORS OR HOUSING CLOSE TO JOB CENTERS (GHG REDUCTION) - ADD AS PRIORITIES

HOUSING POLICIES TO CONSIDER

- SUPPORT FOR FRACTIONAL UNITS

- SUPPORT FOR UPTOWN DENSITY INTERPRETATIONS

- SUPPORT FOR 3 UNITS WITH MINIMUM LOT SIZE

PC THRESHOLD OF REVIEW (5 UNITS)

- INCREASES COST AND TIME
- CONCERN THAT SMALL SITES COMPLICATE DESIGN; 10 UNITS MAY BE REASONABLE AND 20 UNITS TOO MUCH
- ANYTHING MORE THAN 4 UNITS CAN AFFECT NEIGHBORS

- **STAFF WOULD RECOMMEND 10 UNIT THRESHOLD (ONLY FOR ZONING COMPLIANT PROJECTS)**

- **STAFF TO IDENTIFY WHICH EXCEPTIONS IN UTSP SHOULD BE CONSIDERED BY DRC/PC**
- **ADD REQUIREMENT TO REVIEW IN ONE YEAR AND ASSESS**

- **CLARIFY SHOULD THIS BE DENSITY UNITS OR DOORS? IT SHOULD BE DOORS**

- OR COULD IT GO THROUGH AN EXPANDED DRC REVIEW PROCESS WITHOUT REQUIRING PUBLIC HEARING (CAN IT STILL BE CONDITIONED?)

- APPEAL PROCESS ALLOWS FOR A PROCESS; DRC DOES NOT CURRENTLY INCLUDE A NOTICING PROCESS

- SUPPORT FOR REVISION TO MIXED USE OVERLAY TO INCREASE TO 30 DU/ACRE

- ADUS INCENTIVES SUCH AS REDUCED DEVELOPMENT FEES, FINANCING NEEDS TO CONSIDER LOW COST ADUS TO MAKE THEM AFFORDABLE (ALREADY QUITE LOW, ESPECIALLY LESS THAN 750 SF)

- DO THE HOUSING LAWS TRUMP ENTERPRISE FUND RULES? CANNOT TRANSFER WATER/WASTEWATER FEE RESPONSIBILITY TO ANOTHER PARCEL. QUESTION FOR KIMBERLY

RHNA CREDITS AND SITES

- MU1 AND MU2 VERY INTERESTING SITES; WOULD LIKE TO SEE AFFORDABLE ESPECIALLY JCPENNY SITE

- MU2 HOUSING AUTHORITY CONSIDERING UP TO 78 UNITS; SENIOR VERY LOW AND LOW-INCOME UNITS

- DEVELOPER INTEREST IN MIXED USE AT WOODLAND PLAZA

- THERE HASN'T BEEN DEVELOPMENT INTEREST IN COMMERCIAL AT THESE SITES; BUT MU OVERLAY SHOULD CONTINUE TO ALLOW FOR COMMERCIAL TOO

- MU OVERLAY SHOULD NOT REQUIRE COMMERCIAL COMPONENT; MAXIMUM FLEXIBILITY



DRAFT HOUSING ELEMENT

Housing Element Content





CHAPTER 6: HOUSING RESOURCES

What is the RHNA?

Regional Housing Needs Allocation



Jobs/Housing Ratio

Jurisdiction	Share of Region's Jobs	Share of Region's Housing Units	Jobs/Housing Ratio
Paso Robles	13.7%	10.2%	1.27
Arroyo Grande	5.9%	6.6%	0.84
Atascadero	8.2%	10%	0.77
Grover Beach	3%	4.7%	0.59
Morro Bay	3.4%	5.7%	0.57
Pismo Beach	4.4%	4.8%	0.87
San Luis Obispo	31.1%	18.3%	1.61
Unincorporated	30.3%	39.7%	0.72
Regional Total			0.95

Source: Modeled estimated results from SLOCOG Regional Land Use Model, jurisdictional indicators (2018).

What is the RHNA?

Jurisdiction	Population (2015 Estimate)	Housing Units (2015 Estimate)	2020 - 2028 RHNA	% of SLOCOG 2020 – 2028 RHNA
Paso Robles	31,348	11,846	1,446	13.4%
Arroyo Grande	17,678	7,615	692	6.4%
Atascadero	30,401	11,651	843	7.8%
Grover Beach	13,340	5,459	369	3.4%
Morro Bay	10,640	6,605	391	3.6%
Pismo Beach	8,068	5,549	459	4.2%
San Luis Obispo	45,950	21,245	3,354	31.0%
Unincorporated	118,950	46,038	3,256	30.1%
Regional Total	276,375	116,008	10,810	100%

Sources: Modeled estimated results from SLOCOG Regional Land Use Model, jurisdictional indicators (2018).

Paso Robles RHNA by Income Group

Income Group	% of SLOCOG AMI	Paso Robles 2021 – 2028 RHNA	% Of Units
Very Low	31-50%	356	24.6%
Low	51-80%	224	15.5%
Moderate	81-120%	259	17.9%
Above Moderate	120% +	607	42.0%
Total		1,446	100%

Source: SLOCOG Regional Housing Needs Allocation Plan, 2019.

Achieving the RHNA

- Approved projects
 - Projects that have received approval since December 31, 2018
- Potential sites
 - Vacant sites
 - Underutilized sites that could redevelop (Higher-density sites for lower-income RHNA)

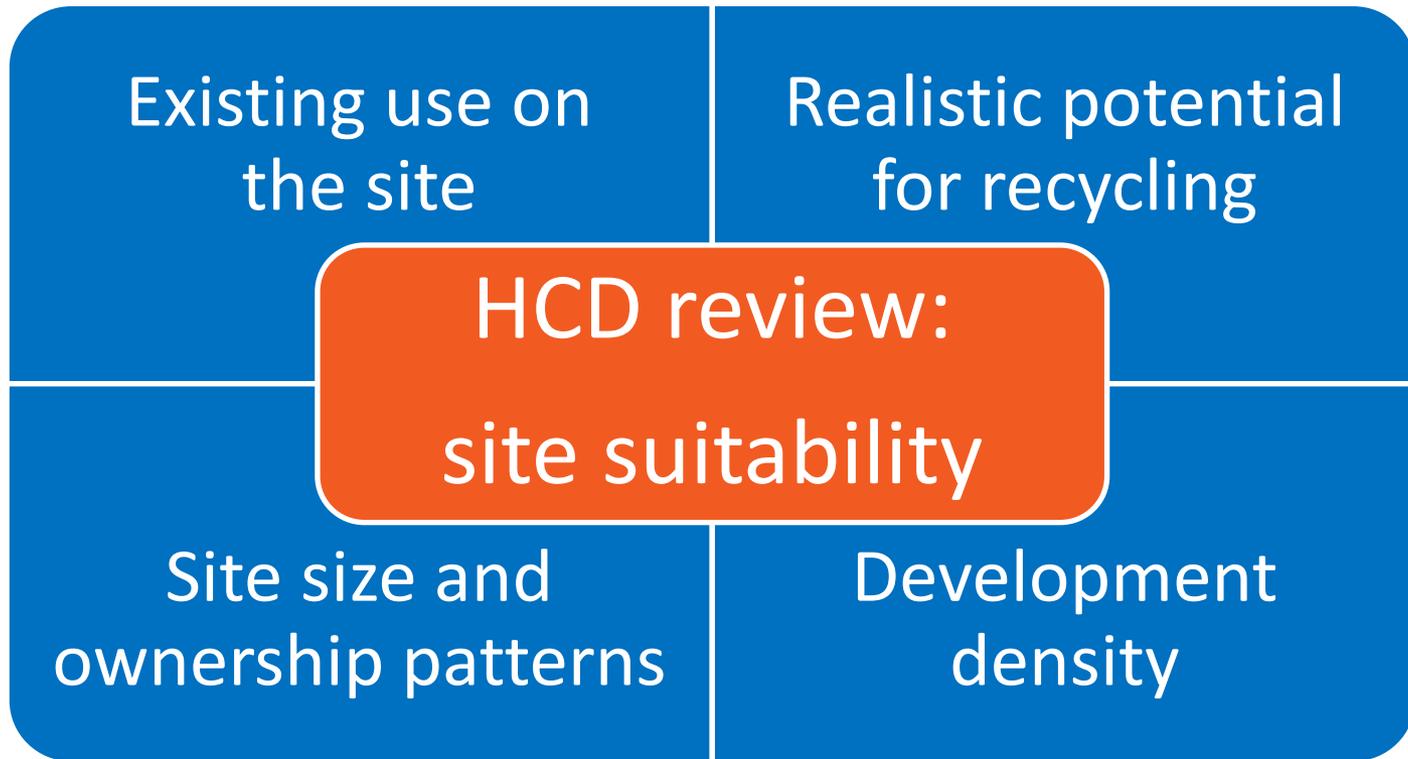
Approved Projects

Building Permits	Extremely Low/Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Various single-family units	--	--	--	33	33
Various apartment projects	--	--	41	--	41
ADUs and rear yard duplexes	--	17	17	--	34
Oak Park 3	52	23	1	--	76
Oak Park 4	54	21	--	--	75
Blue Oak Apartments	--	--	--	66	66
Redtail Apartments	--	--	200	--	200
Moose Lodge Apartments	1	1	15	--	17
Approved/Entitled Units					
Various apartment projects	--	--	29	--	29
Spring Street Village	--	19	55	--	74
Habitat	--	9	--	--	9
Olsen - South Chandler SP	--	--	168	1,125	1,293
Total:	107	90	526	1,224	1,947

RHNA “Credits” (Approved Projects)

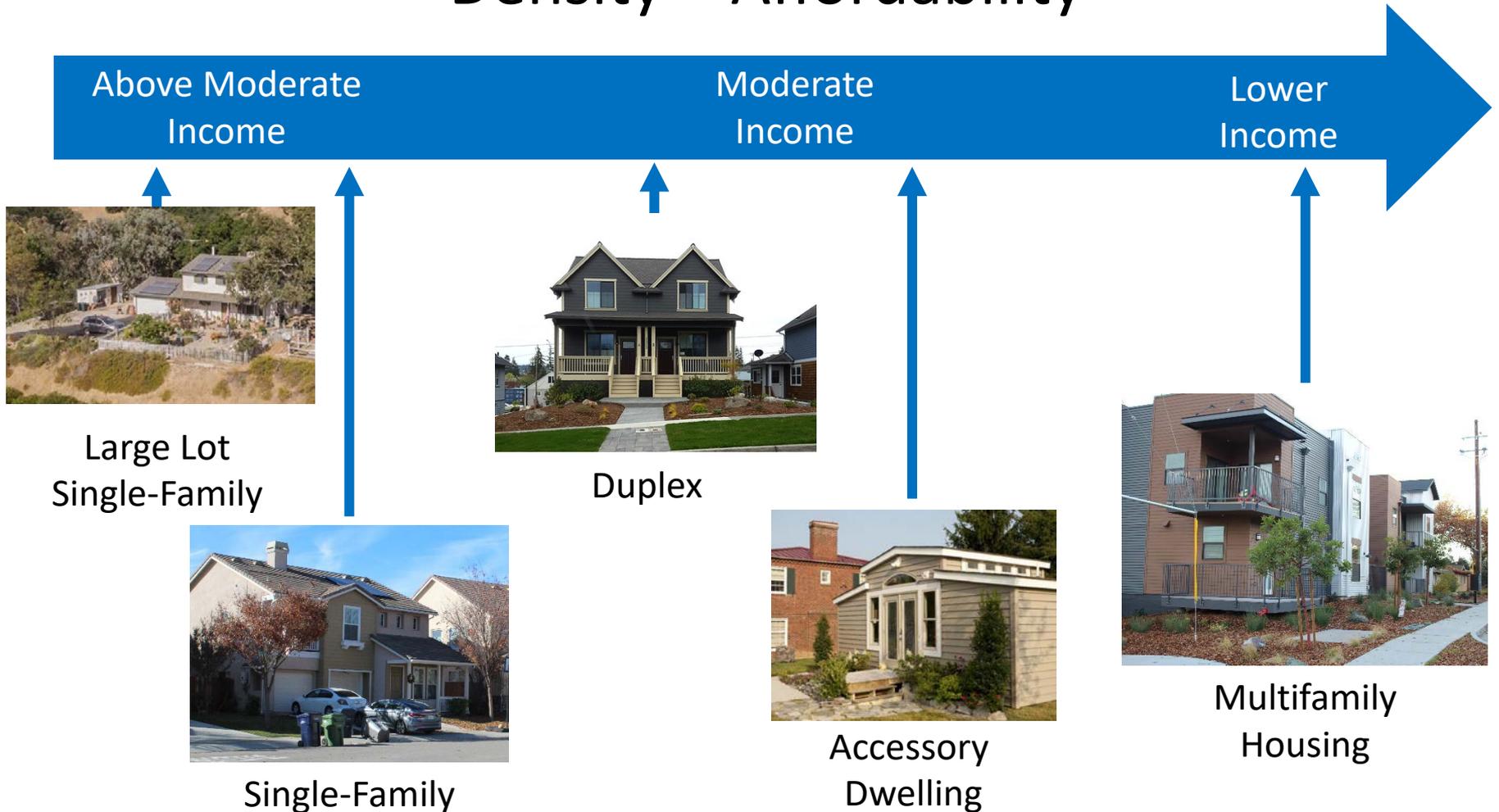
	Extremely Low/Very Low	Low	Mod	Mkt Rate	TOTAL
Building Permits	107	62	274	99	542
Planning Approvals	0	28	252	1,125	1,405
Total Credits	107	90	526	1,224	1,947
RHNA	356	224	259	607	1,446
Remaining Balance	249	134	0	0	383

HCD Review: Site Suitability Criteria

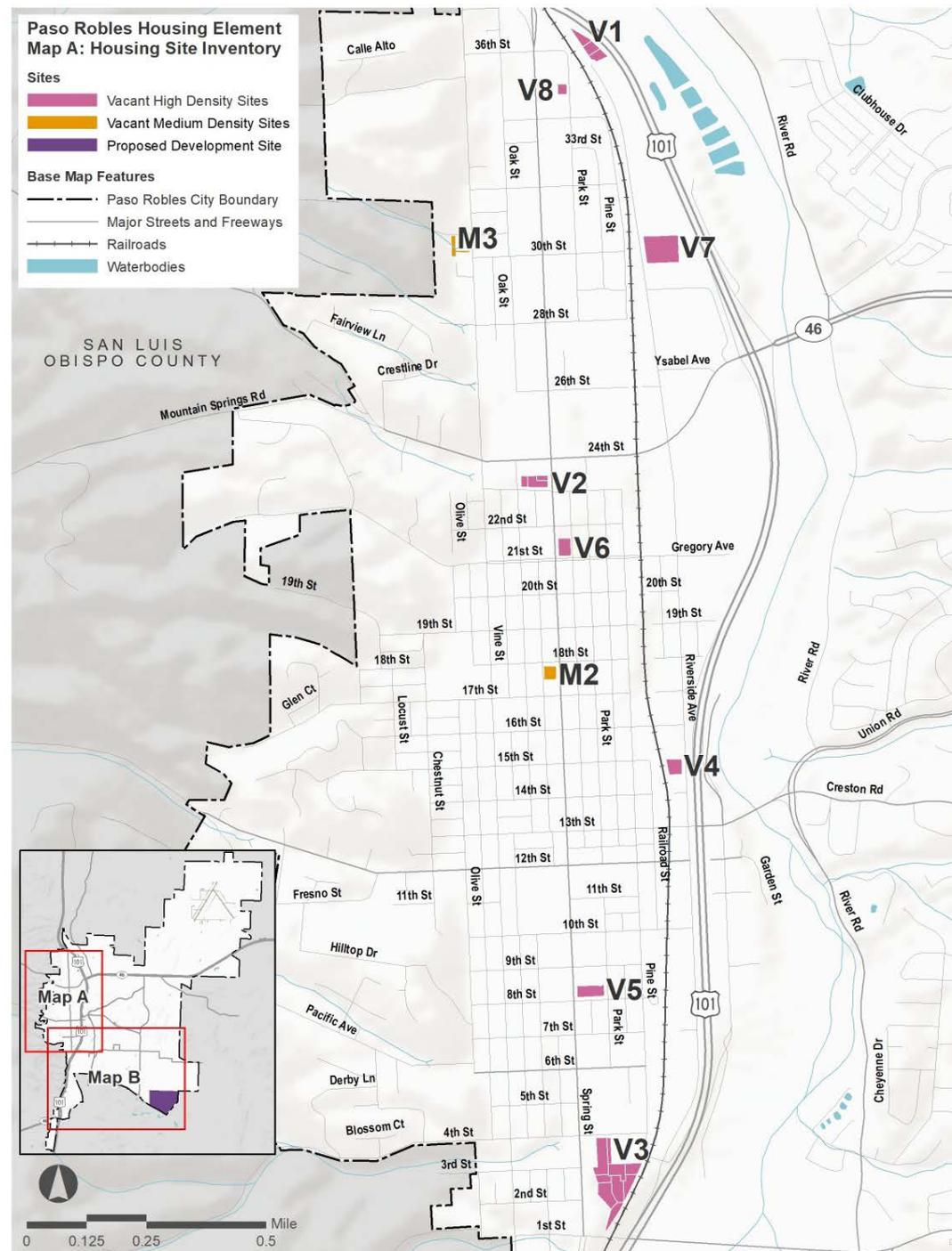


Housing Element Sites Assumption

Density = Affordability



- High Density Sites
- Medium Density Sites
- Proposed Development Site



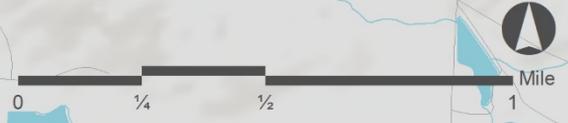
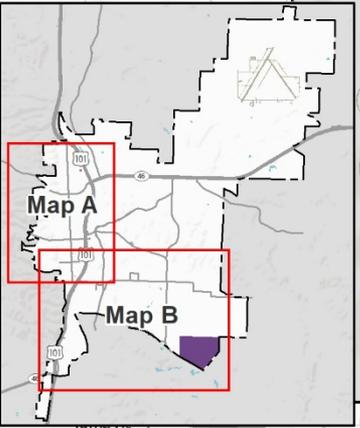
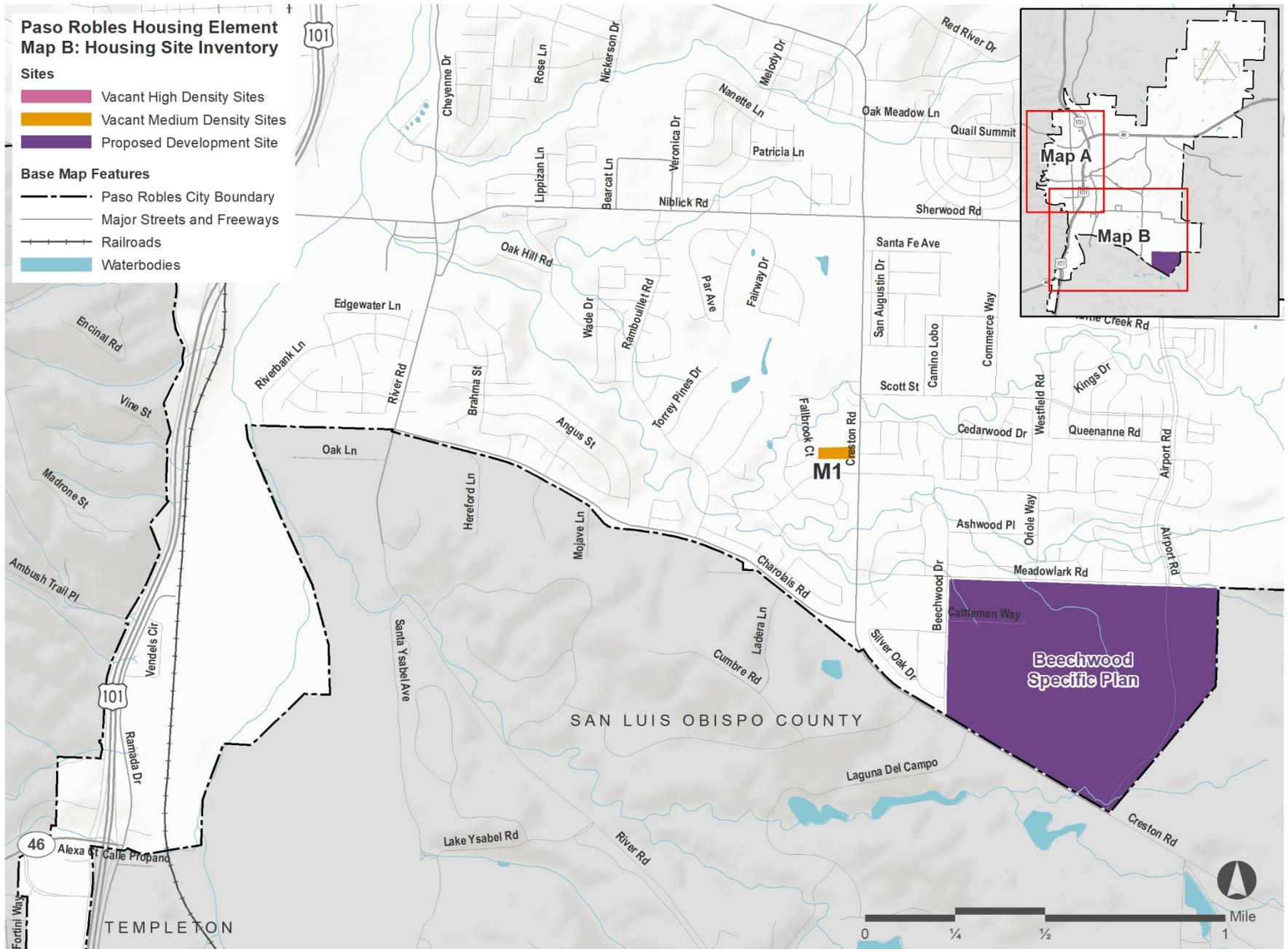
Paso Robles Housing Element Map B: Housing Site Inventory

Sites

- Vacant High Density Sites
- Vacant Medium Density Sites
- Proposed Development Site

Base Map Features

- Paso Robles City Boundary
- Major Streets and Freeways
- Railroads
- Waterbodies



Sites Inventory

	Extremely/ Very Low	Low	Mod	Mkt Rate	TOTAL
Beechwood Specific Plan	--	--	100	811	911
Beechwood ADUs	--	20	21	--	41
ADUs	--	203	202	--	405
Vacant Sites	266	--	24	--	290
Total	266	223	347	811	1,647

Remaining RHNA Balance (after credits)	249	134	0	0	383
Remaining RHNA Balance	-17	-89	-347	-811	-1,264
Redistributed Surplus	106		347	811	(Surplus)



CHAPTER 2: HOUSING PLAN

Notable Housing Programs

Goal H-1:

Adequate Sites to Accommodate a Range of Housing

Program 1: Adequate Sites

- City can accommodate RHNA with current zoning
- Utilizes vacant high-density residential sites and ADU potential

Notable Housing Programs

Goal H-1:

Adequate Sites to Accommodate a Range of Housing

Program 2: No Net Loss

- State law requires that cities maintain adequate RHNA sites throughout the planning period
- If an identified site develops below identified RHNA projection (density or number of affordable units), the City must find that adequate sites exist; if not, City must rezone new land within 180 days

Notable Housing Programs

Goal H-2:

Assist in the development of adequate housing for all economic segments of the community

Program 6: Mixed Use Overlay

- Increase density from 20 to 30 du/acre
- Allow for flexibility: residential, commercial, or a mix
- Apply the Mixed Use Overlay to two new sites

New Mixed Use Overlay Sites



Notable Housing Programs

**Goal H-3:
Identify
Creative
Solutions and
Remove
Constraints to
Housing
Development**

Program 17: Fractional Units

To encourage units that are affordable by design, recognize fractional density units:

- Studio and one-bedroom dwelling < 600 square feet = 0.50 unit
- 1-bedroom dwelling 601 - 1,000 square feet = 0.66 unit
- 2-bedroom+ dwellings = 1.00 unit

Resulting Surplus Units

Area	Existing Dwelling Units	Potential Single-Family Dwelling Units	Potential Multi-Family Dwelling Units	Proposed Fractional Units		Total Dwelling Units
				Multi-Family Fractional Units	Surplus Units	
West	3,266	119	1,011	794	217	4,396
East	8,445	2,633	1,344	1,216	128	12,422
Total	11,711	2,752	2,355	2,010	345	16,818

Surplus Allocation - Project Features

- Land Use Element changes forthcoming
- Allocation considerations:
 - Affordable and workforce housing
 - Tax credit formula (location)
 - Provision of public open space/plazas
 - Transportation demand management (mode shift)
 - Community-serving art or education uses

Notable Housing Programs

**Goal H-3:
Identify Creative
Solutions and
Remove
Constraints to
Housing
Development**

Programs 3 and 10:

- **3: ADU Ordinance Update**
 - Comply with State law
- **10: Density Bonus Ordinance Update**
 - Comply with State law
 - Allow for consolidation of concessions

Notable Housing Programs

**Goal H-3:
Identify
Creative
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Remove
Constraints to
Housing
Development**

Program 13: Objective Design Standards

- State legislation makes it difficult for cities to exercise discretionary review for housing projects
- Objective design standards ensure quality and compatible development patterns
 - Architecture, site design, parking, landscaping
- Facilitate methods to encourage a variety of housing types

Notable Housing Programs

**Goal H-3:
Identify
Creative
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Housing
Development**

Program 14: Special Needs Housing Laws

Analyze existing code and modify to ensure compliance with new State laws

- AB 2162: Supportive housing
 - Use by right where residential is allowed
 - Streamlining requirements
- AB 101: Low Barrier Navigation Centers (LBNC)
 - Use by right in nonresidential and mixed-use zones

Notable Housing Programs

**Goal H-3:
Identify
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Program 15: Zoning Ordinance Amendments

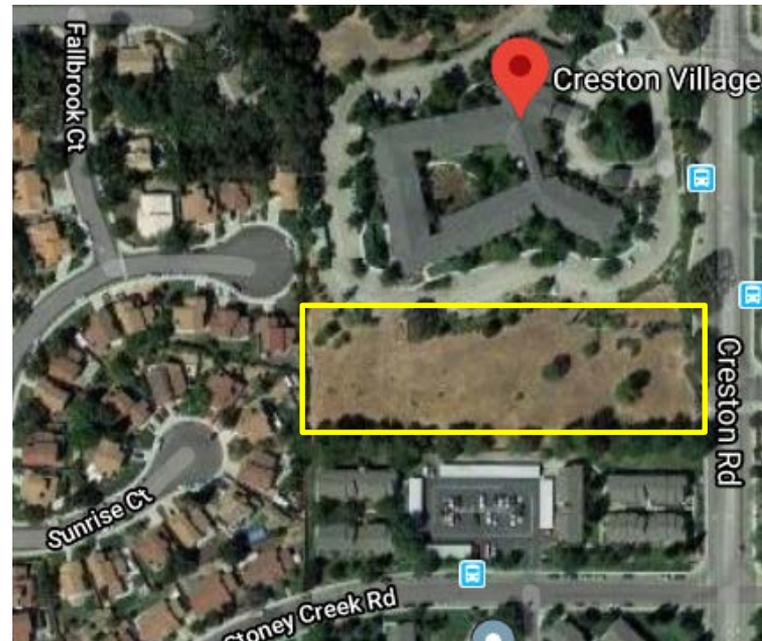
- **Building Height in R zones:** Current code sets height in feet and maximum stories; City to eliminate the maximum number of stories and retain maximum height in feet
- **Community Room/Day Care Center:** for projects with +32 units, remove requirement
- **R-3 zone:** Allow three units with minimum lot size
- **Manufactured housing:** Modify definitions to comply with State law

Notable Housing Programs

**Goal H-3:
Identify
Creative
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Development**

Program 16: Development Plan for Creston Village Surplus Parcel

Consider amendment to allow complementary development on vacant parcel, matching R-3 zoning district intent



Notable Housing Programs

**Goal H-3:
Identify
Creative
Solutions and
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Constraints to
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Development**

Program 18: Planning Commission Threshold of Review

- Development Plan currently requires PC review for 5+ units
- Revise threshold to 10+ units

Funding Sources

- SB 2
 - \$160,000
 - Awarded
- LEAP
 - \$150,000
 - Submitted
- REAP
 - \$131,000
 - Applications available August 17, 2020



CHAPTER 3: REGIONAL VISION

Regional Vision for Housing

San Luis Obispo Countywide Regional Compact

A united regional framework to:

- *Unlock our potential to develop an adequate supply of housing and infrastructure*
- *Support our economic prosperity*

Regional Vision for Housing

County and all seven cities working collaboratively to develop the Regional Infrastructure and Housing Strategic Plan

- Identify and address housing and resiliency issues
- Foster collaboration
- Ongoing process focused on identifying housing and supportive infrastructure opportunities
- Commitment to improving the jobs/housing balance throughout the region



TIMELINE AND NEXT STEPS

Housing Element Timeline

Public Input →

HCOC Meetings & Community Workshops to Receive Input

Winter 2020



HCOC Meetings & Update Housing Element Based on Community Input

Spring 2020



CC Workshop to Review Draft Housing Element

August 2020

State HCD Review

Summer/Fall 2020



Environmental Analysis

Summer/Fall 2020



Planning Commission and City Council Consideration

Late 2020

Public Input →

City of

**Paso
Robles**



Housing Element Update

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