



Housing & State Law

VOLUME 2

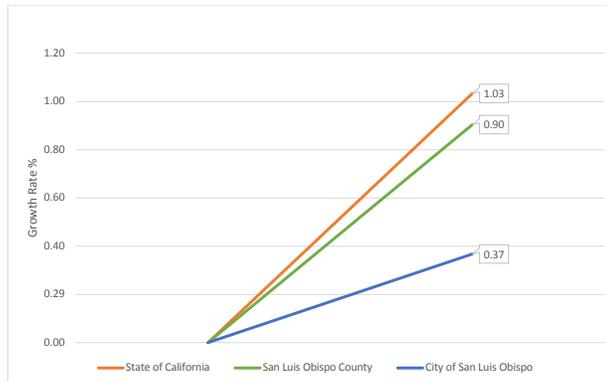
Information Series: Sustainable Growth Management - Housing and State Law - How the Development Review Process Works - Current Development Projects - Building Height and Density - Infrastructure and New Development

The City of San Luis Obispo has established housing policies in accordance with the City’s General Plan and to comply with California laws that were established, and recently strengthened, to ensure there is sufficient housing to support local, regional and state growth projections. Some of these laws limit the ability of cities such as San Luis Obispo to deny or reduce the scale of housing projects. As discussed in volume 1 of this series, the City has carefully planned to accommodate housing within its Urban Reserve Line to prevent sprawl, ensure adequate water supplies for projected growth, and meet the housing needs of households at various income levels.

HOUSING ELEMENT & THE GENERAL PLAN

The Housing Element ([link](#)) is an element of the City’s General Plan and is the only element that must be updated on a set schedule and then certified by the State. The City does not construct housing but is required by the State to plan to demonstrate that it can accommodate a specific number of units within a specific timeframe – our Regional Housing Needs Allocation (RHNA). Although the City has planned for housing to support population growth of 1%, the actual rate of growth over the past 30 years has been .37%. The City is starting a new Housing Element update, which is due for completion by December 2020.

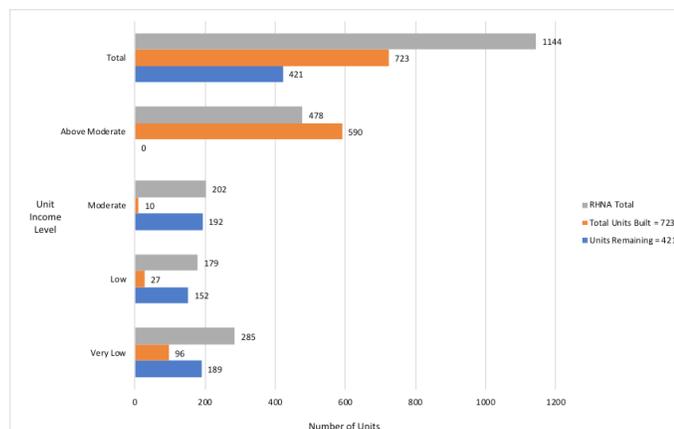
POPULATION GROWTH RATE COMPARISON (1991-2018)



REGIONAL HOUSING NEEDS ALLOCATION

The RHNA is produced by the State Department of Housing and Community Development (HCD) and identifies the projected housing needs in the region. The San Luis Obispo Council of Governments (SLOCOG) is responsible for working with the State-mandated RHNA and distributing the allocation between the cities and unincorporated county areas. The City must demonstrate that it can accommodate its RHNA through a variety of programs in addition to having appropriate land use and zoning capacity.

REGIONAL HOUSING NEEDS ALLOCATION (2014-2019)





HOUSING PRODUCTION IS A MAJOR CITY GOAL

The City's 2017-19 Housing Major City Goal includes an action plan to implement the following policies and programs from the Land Use Element (LUE), Housing Element (HE), Circulation Element (CE), and Climate Action Plan (CAP):

- Create a Formal Workforce Housing Program
- Encourage Downtown dwellings
- Focus on housing variety and tenure
- Rezone areas for high-density, infill housing
- Scale impact fees to the size of units
- Improve Jobs/Housing Balance
- Support Infill Housing
- Incentivize accessory dwelling units, and allow efficiency units, small lot subdivisions and small planned developments



AFFORDABLE UNITS & DENSITY BONUSES

The City's General Plan includes policies and standards that encourage housing projects that incorporate deed restricted units affordable to very low, lower, and moderate income households. There are also density bonuses, and other incentives, available to developers for including these types of units, in accordance to state law.

The state oversees a Density Bonus Law and Housing Accountability Act: two laws intended to increase housing production by providing incentives and making it more difficult for local jurisdictions to deny or reduce the size of proposed housing projects. Jurisdictions that violate these laws may be subject to legal challenge and sanctions.

INCOME GROUP	% AFFORDABLE	DENSITY BONUS
VERY LOW	5%	20%
	11%	35%
LOWER	10%	20%
	20%	35%
MODERATE	10%	5%
	40%	35%



RECENT LEGISLATION

Accessory Dwelling Units (ADU's)

The City of San Luis Obispo recently updated its permit requirements for ADU's to remove barriers to construct new ADU's and to comply with State law.

[City of San Luis Obispo brochure](#) (Click to read)

[State Department of Housing and Community Development brochure](#) (Click to read)

Housing Accountability Act

In 2017, Governor Brown signed into law two bills – SB 167 and AB 678 – that significantly reform California's Housing Accountability Act (HAA or Act), Cal. Gov. Code §65589.5. These reforms make it illegal for the City to deny qualifying housing projects or make changes that reduce the number of units being proposed unless findings are adopted based on objective standards that the project would have health and safety impacts if developed as proposed. [Read more](#)

SB 35

In 2017, Governor Brown signed SB 35, a new law that requires California cities to facilitate the construction of more housing in compliance with the RHNA affordability levels or risk temporarily losing control of some of their permitting and entitlements level of authority. San Luis Obispo is subject to SB 35 and certain affordable housing projects that comply with this law must be processed by the City as ministerial permits, which means the City will only have the discretion to implement objective standards and qualifying projects could avoid public hearings all together. [Read more](#)

