

TO: City Council
FROM: James L. App, City Manager
SUBJECT: **Regional Housing Needs Allocation**
DATE: March 4, 2008

NEEDS: For the City Council to consider submitting a viewpoint letter to *The Tribune* regarding the City's proposed modification to the formula for distributing State housing allocations.

FACTS:

1. January 25, 2008 the City submitted a proposal to the San Luis Obispo Council of Governments urging a new formula for the allocation of regional housing needs (Exhibit A).
2. February 24, 2008 *The Tribune* published an **Opinion** urging consideration of the proposal (Exhibit B).
3. A viewpoint letter draft is attached for possible submission to *The Tribune* expanding upon their editorial coverage of the proposal (Exhibit C).

ANALYSIS &

CONCLUSION: The viewpoint letter is suggested as an opportunity to expand upon *The Tribune's* opinion piece and explain the proposals' underlying community development and resource management concepts.

The proposal is based upon adopted policies in the City's General Plan and Economic Strategy.

POLICY

REFERENCE: 2003 General Plan; 2006 Economic Strategy.

FISCAL

IMPACT: None.

OPTIONS:

- A. **Authorize Submission of the Letter to *The Tribune* Under City Council Signature.**
- B. **Amend, Modify, or Reject the Option Above.**

Exhibits – As Above



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

January 25, 2008

Ron DeCarli, Executive Director
San Luis Obispo Council of Governments
1150 Osos St. Ste 202
San Luis Obispo, CA 93401

Re: Regional Housing Needs Allocation

Dear Ron:

In its General Plan, Economic Strategy, and current City Council Goals, the City of Paso Robles has committed itself to a future dedicated to enhancing its sense of place and in managing natural resources in order to ensure a future quality of life for its citizens. The future envisioned by these documents would include, but not be limited to:

- Redirecting growth to achieve a compact urban form featuring mixed uses and higher residential densities within City Limits; sprawl would be actively discouraged; land development and transportation systems would achieve connectivity among neighborhoods, and alternative modes to the use of the automobile such as walking, cycling, and transit would be encouraged and facilitated.
- Protecting and enhancing agriculture and open space surrounding the City, most notably that related to the wine industry, and establishing meaningful community separators.
- Reducing consumption of natural resources (energy, air quality, water, and agricultural land to name but a few) and encouraging recycling of resources.

Enclosed with this letter is a summary of those policy and action statements from the City's General Plan, Economic Strategy, and City Council Goals that support such efforts.

To implement the vision described above and in the enclosed policy and action statements, the City has undertaken the following activities:

- Preparation of the Uptown/Town Centre Specific Plan to guide the future of the City's historic West Side core. This plan will consider expanding mixed uses, intensified residential density, walkable/interconnected neighborhoods, alternative transportation mode improvements, resource management practices (e.g. LEED standards).
- Preparation of specific plans for greenfield areas (Chandler Ranch and the Olsen Ranch/Beechwood Area) that incorporate traditional neighborhood design and resource management principles.
- Preparation of a Purple Belt Plan to preserve agricultural resources surrounding the City and enhance the City's position as a center for the wine industry. The 150 acre agricultural conservation easement recently acquired by the Land Conservancy of San Luis Obispo County at Turley Vineyard was the first step toward realization of this dream.

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City of Paso Robles
Policies and Actions from the General Plan, Economic Strategy, and City Council Goals
Pertinent to Regional Housing Needs Allocation

The policies and action statements listed below are excerpted from the City of Paso Robles's General Plan (2003), Economic Strategy (2006), and City Council Goals (2007) which support the basis for the City's proposal for the assigning shares of the Regional Housing Needs Allocation on the basis of each jurisdiction's ratio of jobs to population.

General Plan (2003)

Land Use Element

- Adopt design standards to clearly articulate how important public views, gateways and landmarks are to be maintained/enhanced.
- Create a distinct "Purple Belt" surrounding the City by taking actions to retain the rural, open space, and agricultural areas.
- Take steps to ensure that the County retains surrounding lands in very low-density rural residential, open space (including natural resource), and agricultural uses. Oppose the creation of new parcels within the County.
- Implement strategies that help preserve or protect agriculture beyond the City limits.
- Encourage infill development as a means of accommodating growth, while preserving open space areas, reducing vehicle miles traveled, and enhancing livability/quality of life.

Conservation Element

- Conservation of resources within and near Paso Robles contributes to the City's quality of life and community image. Residents and visitors alike share their excitement about the many features that make Paso Robles a special place to live or visit. The "sense of place" in the community is derived, in part, from its natural resources and history. The City will rehabilitate and enhance the environmental quality of the planning area through long-term protection of the environment, resource planning management, and minimizing the degradation of nonrenewable resources. Special protection will be given to unique or endangered resources in the Paso Robles planning area without undue burden on individual rights. Preservation of public services, air quality, vegetation and wildlife, mineral resources, and visual resources, historic and archeological resources, as well as energy will ensure that the city remain an attraction for visitors, tourists, and new residents.

Economic Strategy (2006),

- Maintain safe, healthy and attractive physical environment;
- Encourage and enrich urban culture and center (downtown) focus;
- Establish cohesive, compact and livable community for individuals and families;
- Preserve, enhance, and provide access to key natural features/places;
- Encourage community development in live/work, mixed use, and compact, pedestrian oriented forms to accommodate all income levels and lifestyles;

- Updating its Urban Water Management Plan, participating in the Nacimiento Water Project, and developing reclaimed water systems.
- Initiating introduction of LEED principles throughout the City: in municipal facilities, in new development, and in redevelopment.

Regional Housing Needs Allocation Proposal

An opportunity to take another step in the realization of the vision described above is presented in the Regional Housing Needs Allocation. Most jurisdictions in the County have adopted or are considering similar policy statements to help them improve their environments. The County of San Luis Obispo's strategic growth efforts are an excellent example. The collective goal of these efforts is to prevent rural sprawl and its impacts and to direct our growing county population to urban centers.

Sprawl is the biggest obstacle to attaining a development pattern that protects the environment and allows communities to maintain their unique identity by preserving their borders in open space or agricultural uses. In such a development pattern, residents are increasingly forced into longer commutes to their place of employment. This increases consumption of energy, consumption of natural resources to extend utilities, emission of air pollutants, consumption of agricultural land, impacts to biological resources, fiscal resources to provide geographically-dispersed services, and so on. The land development pattern that counteracts such impacts is a compact, mixed use environment in which residents can live in close proximity to their places of employment and utilize alternative modes of transportation.

The City of Paso Robles recommends that shares of the Regional Housing Need be determined on the basis of location of jobs, and not on the number of residents. A proposal to give 100% weight to the number of jobs has been broached by the Technical Advisory Committee for the Regional Housing Needs Allocation. The City of Paso Robles believes that 100% is not enough to reverse the land use regulations and fiscal decisions that have fostered sprawl. A model should be developed in which those communities where the percentage of total county jobs exceeds the percentage of total county residents should receive the greatest number of housing unit allocations. However, such a proposal must be supported with fiscal compensation to fund the infrastructure improvements needed for the desired development pattern. Therefore this proposal is made subject to the following conditions:

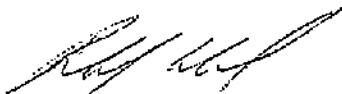
1. The new "jobs method" of allocation shall apply to all communities in the County without exception. The County's allocation will be limited to areas served with both sewer and water via a community services district.
2. SLOCOG shall adopt policies and procedures that guarantee that those jurisdictions receiving the highest number of dwelling units will receive larger allocations (in proportion to their relative Regional Housing Need Allocation) of infrastructure funds than jurisdictions who receive the lower numbers of dwelling units, from CalTrans and other sources, that are determined or recommended by SLOCOG.
3. The County of San Luis Obispo shall reallocate property taxes, both prospective (in future annexations) and historical (for past annexations) to those jurisdictions whose percentage of county

jobs exceeds their percentage of population in proportion to their relative Regional Housing Need Allocation.

4. The County of San Luis Obispo shall adopt disincentives to residential development outside of incorporated cities and areas served with both sewer and water via a community service district. Such disincentives would include, but not be limited to: adoption of parcel size criteria that prevents creation of ranchettes; a more-stringent annual growth cap; financial disincentives such as a "sprawl fee" which would be used to fund infrastructure improvements directly related to fostering compact urban development, open space protection and agricultural preservation.

The City of Paso Robles believes that the time has come for SLOCOG's jurisdictions to demonstrate their commitment to resource management and compact urban development with concrete action.

Sincerely,



Ron Whisenand
Community Development Director

- c. City Council
City Manager
Planning Commission
Members of the Technical Advisory Committee

City of Paso Robles
Policies and Actions from the General Plan, Economic Strategy, and City Council Goals
Pertinent to Regional Housing Needs Allocation

- Develop and implement form based code and architectural design, “green” building, and historic preservation/reuse standards;
- Increase labor force residents in the City;
- Preserve energy and natural resources;
- Increase intensification, supply, and range of housing to attract and accommodate a skilled labor force;
- Support agriculture as a viable industry and visitor attraction by featuring it as the distinguishing community environment;
- Promote the City as a center of high value agriculture and industry;
- Develop, fund and implement the “purple belt” plan;
- Showcase the Paso Robles wine appellation and industry as the emerging center of world class wines.

City Council’s Goals (2007-2009)

- Encourage compact, mixed use & pedestrian oriented development
- Develop “green” building standards (LEED)
- Establish action plans to achieve Economic Strategy
- Commit resources to the Economic Strategy
- Promote the PR Appellation, wine & vineyards
- Promote tourism
- Prepare a comprehensive Housing Strategy
- Prepare Uptown Plan
- Prepare a Town Centre Expansion/Revitalization Plan
- Complete Chandler Ranch Area Specific Plan (CRASP) & Olsen/Beechwood Specific Plans (OBSP), Gateway Standards, and Purple Belt Plan
- Form an Energy Conservation Task Force
 - Perform energy audits
 - Encourage solar power
 - Encourage energy efficiency
 - Adopt US Council of Mayors’ Climate Protection Agreement

Ed Gallagher

From: jlopes@co.slo.ca.us
Sent: Thursday, January 17, 2008 4:24 PM
To: undisclosed-recipients
Subject: Strategic Growth into County General Plan - Continued County Planning Commission Hearing Jan. 24

Attachments: PC_hearing_1-24-08_Memo.doc; ExhLRP2005-00013-F_Framework_Inland_RevisedPHD.pdf; ExhLRP2005-00013-G_Framework_Coastal_PC_Editing_1-24-08.pdf



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Next Thursday, January 24, 2008, the County Planning Commission will continue reviewing proposals to include "strategic growth" within the County General Plan. These policies combine strategic planning approaches with smart growth concepts for more compact, efficient and environmentally sensitive development. The intended result is to achieve more complete and livable communities that better utilize energy, land, water and fiscal resources. These concepts emphasize community-centered growth that provides people with travel, housing and employment choices that are close to job centers and public facilities. The proposed amendments include the following strategic growth principles:

Strategic Growth Principles

1. Preserve open space, scenic natural beauty and sensitive environmental areas.
Conserve energy resources. Conserve agricultural resources and protect agricultural land.
2. Strengthen and direct development towards existing communities.
3. Foster distinctive, attractive communities with a strong sense of place.
4. Create walkable neighborhoods and towns.
5. Provide a variety of transportation choices.
6. Create a range of housing opportunities and choices.
7. Encourage mixed land uses.
8. Take advantage of compact building design.
9. Make development decisions predictable, fair and cost-effective.
10. Encourage community and stakeholder collaboration.
11. Strengthen regional cooperation.

The Planning Commission has tentatively concluded its review of amendments to Framework for Planning for the Coastal Zone in the attached Exhibit G. It will be considering the addition of these policies to the Inland Framework for Planning, see attached Exhibit F. These exhibits are revised from the original public hearing draft with editing from the Planning Commission and staff. Footnotes identify the people or groups whose suggested changes were tentatively approved by the Planning Commission.

A new proposed Schedule for Implementing Strategies is in the attached memorandum as well as at the end of the exhibits. The table lists the implementing strategies that are common to both documents with priorities and time frames for starting them, as well as other information. They are linked to implementation programs that the County may initiate to complete groups of related strategies.

A Revised Mitigated Negative Declaration (MND) was issued on January 10, 2008, to clarify the impact analysis of the proposed amendments from the original MND. The Revised MND can be obtained by contacting Marti Fisher, Secretary of the Environmental Division, phone # 781-5010. It can be viewed and downloaded by clicking on the following webpage:

http://www.slocounty.ca.gov/planning/environmental/EnvironmentalNotices/Proposed_Negative_

Declarations_-_Reports_2008.htm

Then click on 01January and then 01-10-08 County Framework for Planning Amend. Revised Negative Declaration.

This hearing may be continued to February 28, 2008 if time does not allow for completion. If you have any questions or comments, please contact me at the addresses or phone number below. Comments to the Planning Commission can be addressed to me or to the Secretary, Ramona Hedges at the department address or email <rhedges@co.slo.ca.us>. Feel free to copy this email to others or use in any publications. Please reply if you would like to be removed from this maillist.

James Lopes, AICP
Planner III

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(See attached file: PC_hearing_1-24-08_Memo.doc) (See attached file:
ExhLRP2005-00013-F_Framework_Inland_RevisedPHD.pdf) (See attached file:
ExhLRP2005-00013-G_Framework_Coastal_PC_Editing_1-24-08.pdf)



Friday, Feb 29, 2008

Posted on Sun, Feb. 24, 2008

Editorial: Paso idea is too good to ignore

Opinion of the Tribune

The city of Paso Robles hit a nerve when it volunteered to a larger share of housing — on condition that it receive a bigger bite of tax revenue to help it handle the growth.

Predictably, the reaction from other San Luis Obispo County communities was less than enthusiastic.

We understand that reluctance, but we think the idea has too much merit to be dismissed out of hand.

Offering some form of incentive to jurisdictions that are willing to step up to the plate and accept more housing — especially for low-and moderate-income families — is an idea worth exploring.

Juggling the property tax formula may be unrealistic, but giving those cities a higher priority when it comes time to divvy up the county's share of state transportation funds may be one way to go.

Something needs to change, because the current method of planning for housing growth is frustratingly ineffective.

Here's how that system operates: Every seven years, the state of California tells the county how many housing units it must accommodate. And it isn't just total numbers the state is looking at — it requires a certain number of units for very-low-income, low-income and moderate-income families.

The San Luis Obispo Council of Governments— a countywide planning body — then decides how many units each city should take on as a goal.

But here's the rub: The entire process is largely a paper exercise.

Agencies are required to adopt housing plans that show they have adequate residential zoning in place to meet their goals. They also must have programs and policies in place to encourage affordable housing. But they aren't required to make sure that the units actually get built.

And how could they be? Cities, after all, aren't in the home-building business. Developers are — and cities can't force them to build.

As a result, there often are huge disconnects between the state-imposed goals and the reality of what gets built.

The city of San Luis Obispo, for instance, was allocated 4,383 units for the 2001-2009 period. As of late last year, 1,527 had been built. Even more telling, just 51 of those units were for very-low-income residents — far short of the state goal of 1,484.

Many other communities have had an equally tough time meeting their goals; in retrospect, the state's goal of 18,035 units for San Luis Obispo County was far too ambitious.

After considering new population projections for San Luis Obispo County, the state dramatically downsized the number of units that we will need in the next planning cycle.

San Luis Obispo County now has been told to plan for 4,885 new homes from 2009 to 2014; the state wants nearly 2,000 of those to be affordable for very low-and low-income residents.

That sounds more realistic, but let's not kid ourselves. Providing low-income housing is still going to be a struggle that will require innovative solutions.

Offering incentives to cities that manage to surpass their goals — especially if they get affordable units on the ground, not just on paper — is one idea that deserves a closer look.

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Livable Communities

Sunday, February 24th, the Tribune encouraged consideration of a Paso Robles proposal to allocate public funds in proportion to State-mandated housing needs distributed among local agencies. The Tribune's encouragement is welcome. But, the proposal is much more than an argument for a new tax sharing formula.

Every 5-7 years local agencies are informed that they must provide their share of housing for the State's growing population. Locally, this results in a process dubbed the Regional Housing Needs Allocation (RHNA). The local regional planning agency, San Luis Obispo Council of Governments (SLOCOG), of which every incorporated City and the County of San Luis Obispo are members, administers the RHNA process.

The process compels local agencies to cooperatively develop a basis for distributing the region's State housing allocation. In recent history, the jurisdictions have agreed that both population and jobs are key factors to be considered when allocating new housing requirements. In other words, if one agency has more population and jobs than another, then their share of new housing requirements is proportionately greater. In fact, the formula has weighted job location more heavily (60%) than population (40%) on the premise that people ought to have the opportunity to live in the same community where they work. The theory goes that if more people live in the community where they work, there will be less regional traffic congestion, air pollution, etc. It follows that higher degrees of live/work proximity can lead to even more congestion relief.

As Paso Robles measured the allocation formulas against this theory and its' own General Plan and Economic Strategy, as well as policies emerging in the region-wide "Community 2050 Plan" and County General Plan updates, it was found that they all discourage sprawl (the practice of scattering housing around in low densities), seek to make maximum use of established communities' facilities that support community life (roads, water & sewer systems, parks, etc.), treat land as a limited non-renewable resource by utilizing it more intensely (provide more density - more living, work, or commercial units - on each parcel), encourage agriculture and open space, and in doing so, increase neighborhood connectivity, allow for efficient alternative modes of transport, lessen home/work commutes, thus diminishing the need for interregional road expansion, remote services, etc.

If the theory is to be realized, and communities' policies are consistent with the theory, then the policies need to be implemented; to be implemented, the means to implement must also be developed. So, Paso Robles proposed that regional housing needs be allocated based upon job location only. And, to provide the means to support the resulting housing re-allocation, that public funds are allocated in like proportions. In doing so, people may have the opportunity to live where they work, to break the cycle of sprawl and longer commutes, to develop in established communities that have the infrastructure to support community life, and to provide the means to support housing over the long term.