

TO: Planning Commission

FROM: Ed Gallagher, Community Development Director

SUBJECT: General Plan Amendment 2014-001

DATE: March 11, 2014

Needs: For the Planning Commission to make a recommendation to the City Council on a City-initiated amendment to revise text in the Land Use Element of the General Plan to more accurately reflect anticipated build-out to 2045.

Facts:

1. The General Plan has a horizon date of 2025. The horizon date helps focus policy statements within a foreseeable timeframe. It is not, in itself, a deadline to attain, or manage the pace of, any level of development.
2. The Land Use Element establishes a population planning threshold of 44,000 persons and a methodology for determining the maximum number of dwelling units that can be built within that threshold.
3. The 2003 Land Use Element estimated that, at a continued growth rate of 2.5%, build out at a population of 44,000 could occur by 2025. This rate would necessitate building an average of 300 dwelling units each year from 2004 through 2025.
4. Beginning in 2007, the number of building permits issued fell well below 300 per year. The recovery from the recent recession has been more protracted than prior recovery periods.
5. Most of the opportunities for future residential development are within the specific plan areas (Chandler Ranch, Beechwood Area, Olsen Ranch, and Borkey Area) for which specific plans must be prepared prior to approval of subdivision maps and development plans. The time necessary to prepare such plans will constrain the rate of construction in the near term.
6. Based on these facts, it would be more realistic to base population projections on a slower rate of construction. Staff prepared a projection that considers timing of availability of supply (i.e., when new lots in specific plan areas are likely to be ready for sale and development), historic rates of economic cycles, and development rates in the past 20 years.
7. The proposed amendment to the Land Use Element anticipates that build-out of residential properties will not occur until after 2045. This projection was presented to the City Council and School District Board in January 2014. This projection replaces the prior assumption that build-out would occur in 2025.

8. The projection is merely an estimate of population growth in response to the expected pace of development. It is informational in nature; it is not a statement of policy that the City should or will take actions to manage the rate of development to conform to the projection.
9. Since this amendment does not change policy it will not have any effect on the environment, and it is exempt from further review under the California Environmental Quality Act (CEQA) as provide by Section 151061(b)(3) (projects with no possible impact on the environment) of the State's Guidelines for Implementing CEQA.

Analysis and

Conclusion: The original assumption that the City would build out by 2025 has proven to be unrealistic. There is no statutory mandate that horizon dates for general plans and projections of build-out coincide.

Table LU-3B contains a population projection prepared in 2014 that takes into consideration the periodic fluctuations in the economy as well as the anticipated availability of finished subdivided lots in the various specific plan areas. Table 1-E in the Land Use Element Appendix provides greater detail for the figures shown in Table LU-3B. It is important to note that the population projection in Table LU-3B and Table 1-E in the Land Use Element Appendix is an estimate of population growth in response to the expected pace of development.

Reference: General Plan Land Use Element

Fiscal

Impact: The proposed general plan amendment does not change policy and it will not have an effect on the General Fund.

Options: That the Planning Commission recommends that the City Council approve one of the following sets of options:

- a. Adopt the attached Resolution Adopting General Plan Amendment 2014-001;
- b. Amend, modify, or reject the above options.

ATTACHMENTS:

1. Resolution Adopting General Plan Amendment 2014-001 (includes proposed text amendments)
2. Newspaper Notice Affidavit

RESOLUTION NO. 14-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING GENERAL PLAN AMENDMENT 2014-001 AMENDING THE
LAND USE ELEMENT TO INCLUDE A POPULATION PROJECTION
(CITY-INITIATED)

WHEREAS, the City has initiated General Plan Amendment 2014-001 ("the Amendment") to amend the Land Use Element to revise a population projection; and

WHEREAS, the 2003 Land Use Element estimated that, at a continued growth rate of 2.5%, build-out at a population of 44,000 could occur by 2025, which would necessitate building an average of 300 dwelling units each year from 2004 through 2025; and

WHEREAS, beginning in 2007, the actual number of building permits issued by the City fell well below 300 dwelling units per year and the recovery from the recent recession has been more protracted than prior recovery periods; and

WHEREAS, most of the opportunities for future residential development are within specific plan areas (Chandler Ranch, Beechwood Area, Olsen Ranch, and Borkey Area) for which specific plans must be prepared prior to approval of subdivision maps, which will also constrain the rate of construction in the near term; and

WHEREAS, based on the above factors, it is appropriate to revise the Land Use Element to more accurately reflect a slower rate of population growth that considers timing of availability of supply (i.e., when new lots in specific plan areas are likely to be ready for sale and development), historic rates of economic cycles, and development rates in the past 20 years, with buildout occurring in 2045, rather than 2025; and

WHEREAS, the projection is an estimate of population growth based on the expected pace of development; it is informational in nature and is not a statement of policy that the City should or will take actions to manage the rate of development to conform to the projection; and

WHEREAS, at its meeting of March 11, 2014, the Planning Commission conducted a public hearing on the Amendment and took the following actions:

- a. Considered the facts and analysis, as presented in the staff report prepared for the Amendment;
- b. Conducted a public hearing to obtain public testimony on the parts of the Amendment; **no public testimony was given on the Amendment;**
- c. On a vote, recommended that the City Council approve the Amendment; and

WHEREAS, at its meeting of April 1, 2014, the City Council conducted a public hearing on the Amendment and took the following actions:

- a. Considered the facts and analysis, as presented in the staff report prepared for the Amendment, including the recommendation of the Planning Commission;
- b. Conducted a public hearing to obtain public testimony on the Amendment;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, as follows:

Section 1. The Amendment is exempt from further review under the California Environmental Quality Act (CEQA) as provided by Section 151061(b)(3) (projects with no possible impact on the environment) of the State's Guidelines for Implementing CEQA. As the Amendment does not change General Plan policy or land use, or make any substantive change, approval of the Amendment will not have any effect on the environment.

Section 2. The City Council hereby approves:

- a. The text of the Land Use Element, Section 1 and Section 2 through policies that implement Goal LU-1 is amended as shown in Exhibit A, attached hereto and incorporated by reference; and
- b.. The Land Use Element Appendix is amended to add Table 1E as shown in Exhibit B, attached hereto and incorporated by reference.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of April, 2014 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

LAND USE ELEMENT

1.0 Introduction

This Land Use Element provides for the opportunity for infill development within the City limits and expansion of the City limits to incorporate potential annexation areas.

Since adoption of the Land Use Element in 2003, the City has completed annexation of the Sphere and Expansion Areas shown on Figure LU-2. Following completion of the Olsen Ranch and Beechwood Annexations in 2004 and the Linne Road (Our Town) Annexation in 2005, there are 19.9 square miles (12,739 acres) within City Limits.

Population Planning Threshold

Resolution 03-232, by which the General Plan was comprehensively updated in December 2003, established a population planning threshold of 44,000 persons. That population threshold was calculated on the assumption that the sum of all existing dwelling units (in 2003) and the maximum number of potential dwelling units authorized by the Land Use Element would be occupied by an average of 2.7 persons per household (average household size reported for the City in the 2000 U.S Census).

As discussed below, the population planning threshold remains at 44,000 persons. However, in 2012, the City Council approved adjustments to the underlying assumptions defining the occupancy of dwelling units.

Projected Number of Dwelling Units

A key component of determining the future population is to identify the numbers of existing and potential dwelling units. Table LU-3 provides an accounting of these units.

Vacancy Rate

In 2012, the City acknowledged that, at any point in time, a percentage of built units will be vacant, and that an appropriate vacancy rate is a hallmark of a healthy economy: helping provide access to housing and stabilize housing prices. According to the U.S. Census, between 1980 and 2010, the housing vacancy rate has averaged 6.22 percent. However, noting that the vacancy rate fluctuates with the state of the economy, the City finds it prudent to adopt a more-conservative vacancy rate of 5.0 percent.

Average Household Size

According to the U.S. Census, the household size has averaged 2.66 persons between 1980 and 2010. The General Plan now (2012) assumes that each dwelling unit will be occupied with an average 2.66 persons.

Build-Out Population

At such time that the 16,818 units shown in Table LU-3 are built, it is assumed that 5.0% of them will be vacant and that the other 95.0 percent will be occupied with an average of 2.66 persons, yielding a population of 42,499.

The City Council may consider general plan amendments that increase the numbers of dwelling units at build-out provided that the build-out population does not exceed the population planning threshold of 44,000 persons.

Population Projection

The General Plan sets a vision and supporting policy focused on expected development between 2003 and the plan’s 2025 horizon year. When the General Plan Update was adopted in December 2003, based on the pace of development activity at that time, it was anticipated that residential build-out of the City, resulting in a population of 44,000, would occur by 2025. However, the national economic slowdown that began in 2007, coupled with the history of periodic slowdowns over prior decades, has caused the City to consider that build-out and an attendant population of 44,000 may take more than 20 additional years: to 2045 or longer, to attain. Table LU-3B contains a population projection prepared in 2014 that takes into consideration the periodic fluctuations in the economy as well as the anticipated availability of finished subdivided lots in the various specific plan areas. Table 1-E in the Land Use Element Appendix provides greater detail for the figures shown in Table LU-3B. It is important to note that the population projection in Table LU-3B and Table 1-E in the Land Use Element Appendix is an estimate of population growth in response to the expected pace of development. This projection is not a statement of policy that the City should or will take actions to manage the rate of development to conform to the projection.

Commercial and Industrial

Land designated for commercial and industrial development is projected to be more than adequate to accommodate the demands associated with the planned for population growth.

There is sufficient commercially designated area within the City to accommodate a projected 2.90 million additional square feet of floor area through the Year 2025 (refer to Table LU-1B). Industrially-designated land could accommodate up to 1.50 million additional square feet of City of El Paso de Robles General Plan 2003 floor space through the Year 2025. Much of the industrial development is anticipated to be concentrated near the airport.

2.0 Land Use Goals, Policies and Action Items

GOAL LU-1: Land Uses. Strive to maintain a balanced community, where the majority of residents can live, work, and shop.

POLICY LU-1A: Land Use Categories. Provide an appropriate mix and diversity of land uses.

Table LU-1A. General Plan Development Potential

Land Use Category	Acreage	Percent
Commercial	1,271	10.0%
Business Park/Industrial	1,721	13.5%
Other/Public Facilities	1,947	15.3%
Agriculture & Open Space	2,572	20.0%
Residential	5,228	41.2%
Total	12,739	100%

Action Item 1. Amend/update the Zoning Ordinance to ensure that there is a Zoning District for each General Plan Land Use Category on Table LU-2.

Action Item 2. Allow projects in the Mixed Use land use category and/or in Specific Plan areas to be developed with more than one land use.

Table LU-1B. General Plan Development Potential

Land Use	Existing	Potential	Total
Residential	11,711 DU	5,107 DU	16,818 DU
Commercial	4,044,000 sf	2,896,000 sf	6,940,000 sf
Industrial	2,093,000 sf	1,498,000 sf	3,591,000 sf

Notes:

1. DU = Dwelling Unit; existing numbers of DU per December 31, 2011 Land Use Inventory; See Table LU-3A for details on potential DU
2. Actual full commercial and industrial buildout would be driven largely by market factors and other considerations beyond the control of the City.

Table LU-2. General Plan Land Use Distribution

Land Use Category	Acres	Percent
Agriculture	814	7.3%
<i>Residential Categories</i>		
Residential Rural (1 du/5 acres)	0	0.0%
Residential Suburban (1 du/2.5 acres)	642	5.8%
Residential - Single Family - 1 (1 du/acre)	419	3.8%
Residential - Single Family - 2 (2 du/acre)	272	2.5%
Residential - Single Family - 3 (3 du/acre)	772	7.0%
Residential - Single Family - 4 (4 du/acre)	1,590	14.3%
Residential - Single Family - 6 (6 du/acre)	18	0.2%
Residential - Multiple Family - 8 (8 du/acre)	287	2.8%
Residential - Multiple Family - 9 (9 du/acre)	17	0.2%
Residential - Multiple Family - 12 (12 du/acre)	178	1.6%
Residential - Multiple Family - 16 (16 du/acre)	0	0.0%
Residential - Multiple Family - 20 (20 du/acre)	47	0.4%
Mobile Home Park (5 du/acre)	58	0.5%
Residential Total	4,300	39.0%
<i>Commercial Categories</i>		
Neighborhood Commercial	55	0.5%
Office Professional	29	0.3%
Downtown Commercial	41	0.4%
Community Commercial	97	0.9%
Regional Commercial	175	1.6%
Commercial Service	505	4.6%
Commercial Total:	902	8.1%
<i>Mixed Use Categories</i>		
Mixed Use 8 (Commercial and Multi-Family - 8)	18	0.2%
Mixed Use 12 (Commercial and Multi-Family - 12)	37	0.3%
Mixed Use Total:	55	0.5%

Table LU-2. General Plan Land Use Distribution

Land Use Category	Acres	Percent
<i>Industrial Categories</i>		
Business Park	1,676	15.1%
Industry	52	0.5%
Industrial Total:	1,728	15.6%
<i>Other Categories</i>		
Public Facilities	1,654	14.9%
Parks and Open Space	1,634	14.5%
Other Categories Total:	3,288	29.5%
TOTAL	11,087	100.0%
Notes:		
1. Source: Land Use Inventory, updated to reflect General Plan Amendments through June 30, 2011. All acreages are net (exclude dedicated rights-of-way for streets and highways).		
2. It is expected that the Chandler Ranch Area Specific Plan will include changes to some of the above acreage in order to attain the 1,439 dwelling units provided by the General Plan.		

Table LU-3A. Summary of Potential Residential Development (Dwelling Units)

Area/Land Use Categories	Existing Dwelling Units	Potential Dwelling Units	Total Dwelling Units
West Side (includes area south of 1st Street)			
Uptown/Town Centre (UTTC) Specific Plan *	2,202	985	3,187
Outside of UTTC - Single Family Residential	702	119	821
Outside of UTTC - Multi-Family Residential	319	86	405
Outside of UTTC - Non-Residential Use	43	0	43
Subtotal	3,266	1,190	4,456
East Side			
Borkey Area Specific Plan - Single Family	396	33	429
Borkey Area Specific Plan - Multi-Family	107	193	300
Union/46 Specific Plan (SF)	816	134	950
Chandler Ranch Area Specific Plan - Single Family	1	1,291	1,292
Chandler Ranch Area Specific Plan - Multi-Family	12	135	147
Olsen Ranch Specific Plan - Single Family	4	574	578
Olsen Ranch Specific Plan - Multi-Family	0	95	95
Beechwood Area Specific Plan - Single Family	5	469	474
Beechwood Area Specific Plan - Multi-Family	0	200	200
Outside of Specific Plan Areas - Single Family	5,122	117	5,239
Outside of Specific Plan Areas - Mobile Homes	310	0	310
Outside of Specific Plan Areas - Multi-Family	1,587	648	2,235
Non-Residential Use	85	28	113
Subtotal	8,445	3,919	12,362
Total	11,711	5,107	16,818
Source: City of Paso Robles Land Use Inventory - December 31, 2011			
* UTTC: Existing units as of 12/31/11; potential units assumes 989 potential units minus 4 net units added since 01/01/10.			

Table LU-3B: Population Projection

Year	Population ¹	Total Dwelling Units ²
2010	29,800 ³	11,652
2012	30,200 ⁴	11,711
2015	30,100 ⁵	11,917
2020	32,300	12,775
2025	34,400	13,602
2030	37,700	14,933
2035	39,900	15,775
2040	41,900	16,586
2045	42,800	16,924

Notes:

1. All population figures are rounded to the nearest 100. Except for 2010 and 2012, population figures are estimates based on household size and vacancy rate in Section 1 of this Land Use Element.
2. Numbers of dwelling units in 2010 and 2012 are based total numbers of existing units reported on City's Land Use Inventory;
3. Source: 2010 U.S. Census Bureau
4. Source: 2012 State Department of Finance E-5 Report (for January 1, 2012)
5. Population "decrease" caused by application of the General Plan's assumptions stated in Section 1 of this Land Use Element. The 2012 DOF population estimate reported 2.73 persons per household, which yielded a higher population estimate than projected in 2015.

POLICY LU-1B: Airport Land Use Compatibility. As a general policy, new residential development is an undesirable land use within the Airport Influence Area.

Action Item 1. Prohibit further subdivision of land within the Airport Land Use Review Area (AP Overlay Area), or changes to land use or zoning, in a manner that would accommodate additional dwelling units. Existing parcels would, however, be entitled to be occupied by existing or new residential dwelling in accordance with current General Plan and Zoning.

EXHIBIT B

Table 1-E Population Projection Details

	Potential # Units	Jan 1 2015	Jan 1 2020	Jan 1 2025	Jan 1 2030	Jan 1 2035	Jan 1 2040	Jan 1 2045	Residual
West Side									
Uptown/Town Centre Specific Plan									
Multi-family, vacant lots	105	12	30	30	30	0	0	0	3
Multi-family, under-developed lots	541	8	110	75	40	30	40	30	208
Multi-family, mixed use potential	295	0	0	0	0	44	50	40	161
Outside UTCSP Area									
Single family, vacant finished lots	97	10	20	15	20	15	5	0	12
Single family, under-developed lots	22	0	2	1	2	1	2	1	13
Single family, vacant subdividable parcels	3	0	1	1	1	0	0	0	0
Multi-family, vacant lots	17	0	16	1	0	0	0	0	0
Multi-family, under-developed lots	90	1	5	7	10	7	10	7	43
Subtotal for West Side	1,170								440
East Side									
Borkey Area Specific Plan									
Single family, vacant finished lots	13	0	11	0	0	0	0	0	2
Single family, vacant subdividable parcels	15	2	2	2	2	2	2	2	1
Multi-family, vacant lots	188	0	188	0	0	0	0	0	0
Union/46 Specific Plan									
Single family, vacant finished lots	18	6	7	3	2	0	0	0	0
Single family, subdividable parcels	49	0	8	8	13	5	5	5	5
Chandler Ranch Specific Plan									
Single family (does not include 12 existing units)	1,291	0	0	200	300	250	350	191	0
Multi-family	135	0	0	75	60	0	0	0	0
Beechwood Specific Plan									
Single family (does not include 5 existing units)	469	0	100	120	180	69	0	0	0
Multi-family	200	0	0	50	50	50	50	0	0
Olsen Ranch Specific Plan									
Single family (does not include 4 existing units)	574	0	0	80	184	120	190	0	0
Multi-family	95	0	0	0	50	45	0	0	0
Outside Specific Plan Areas									
Single family, vacant lots	94	10	20	10	20	10	15	8	1
Multi-family, vacant parcels	440	5	150	100	80	40	35	29	1
Multi-family, under-developed lots	197	0	40	25	40	25	35	25	7
Multi-family on mixed use zoned property	28	0	28	0	0	0	0	0	0
Subtotal	3,806								17
General Plan Amendments Active in 2014									
Borkey Area Specific Plan - Single Family	271	0	120	24	77	30	20	0	0
Beechwood Area Specific Plan - Mixed types	241	0	0	0	150	89	2	0	0
Furlotti Annexation - Single Family	30	0	0	0	20	10	0	0	0
Subtotal	542								0
Total	5,518	54	858	827	1,331	842	811	338	457

Notes:

1. Source for Potential # Units is the City's Land Use Inventory dated December 31, 2013.
2. Figures in Jan 2015, Jan 2020,... columns assume units complete (Certificates of Occupancy issued) as of Dec 31 of the previous year.
3. Inclusion of dwelling units in General Plan Amendments Active in 2014 does not indicate pre-approval of these applications, but provides an estimate of their development in the event that they are approved.

THE *Newspaper of the Central Coast*
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In The Superior Court of The State of California
In and for the County of San Luis Obispo
AFFIDAVIT OF PUBLICATION

AD # 7045061
CITY OF PASO ROBLES

STATE OF CALIFORNIA
ss.
County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates to wit; MARCH 1, 2014, that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.



(Signature of Principal Clerk)

DATED: MARCH 1, 2014
AD COST: \$102.20

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of El Paso de Robles will hold a Public Hearing to consider General Plan Amendment 2014-001, which was initiated by the City of Paso Robles to amend the Land Use Element text to include a population projection that anticipates build-out beyond 2045.

The public hearing will be conducted on Tuesday, March 11, 2014 in the Conference Room at the Paso Robles Library/ City Hall, 1000 Spring Street, Paso Robles, California, at the hour of 7:30 pm. All interested parties are invited to attend and be heard on this matter.

At the conclusion of the public hearing, the Planning Commission will consider making a recommendation to the City Council regarding approval of General Plan Amendment 2014-001.

Written comments on the proposed General Plan Amendment may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or emailed to: ed@prcity.com, provided that the comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this project, please call Ed Gallagher at (805) 237-3970.

If you challenge this project in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

/s/Ed Gallagher, Community Development Director
March 1, 2014 7045061

RECEIVED

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City of Paso Robles
Community Development Dept.