



Planning Commission Agenda Report

From: Darcy Delgado, Associate Planner

Subject: Recommendation to City Council regarding the 2024 Annual Report on the Implementation of the General Plan.

CEQA: Staff recommends the Planning Commission find this action is not a project under the California Environmental Quality Act pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), §§ 15060, subd. (c)(2)-(3), 15378.

Location: Citywide

Date: April 22, 2025

Facts

1. California Government Code Section 65400 requires the planning agencies of local jurisdictions to prepare an annual report on the status of the General Plan and progress towards its implementation. This report will be submitted to the State late May 2025.
2. Among other things, the Housing Element component of the report must include an assessment of progress made toward meeting the City's share of the Regional Housing Need Allocation (RHNA).
3. The City's General Plan Annual Report is provided as an attachment to this staff report, and is divided into two parts. The first part (Attachment 1) is a table containing brief descriptions of every Action Item of the General Plan, (except those in the Housing Element), with thumbnail descriptions of the status of their implementation. The second part (Attachment 2) is the Housing Element Report, with discussions of progress toward meeting the City's share of the RHNA, and it includes a similar table of Housing Element Action Items and status.
4. The Housing Element Report highlights the number of housing units in plan check, building permits issued, units that are under construction, and the number of units completed in 2024. It also provides a discussion on the housing units proposed, rehabilitated, and/or conserved (e.g. subsidized affordable housing that may be at-risk of being converted to market-rate housing).
5. Lastly, this report provides a brief discussion of issues related to housing development constraints, and proactive initiatives the City is pursuing to remove barriers to construction of housing.

Options

After consideration of any public testimony, the Planning Commission should consider the following options:

1. Recommend approval of the 2024 General Plan Annual Report to the City Council and that the City Council direct staff to send the Annual Report to the State.
2. Request modifications specified by the Planning Commission for staff to address in the Report before passing it on to the City Council for approval.

Analysis and Conclusions

The City's General Plan was adopted in 2003. There have been several amendments to the Plan over the last 18 years, including more recent updates to the Circulation Element (2019), Noise Element (2019), and more recently the Housing Element (2020). The General Plan includes 240 policy action items, not including those in the Housing Element. The City has made substantial progress on implementation of the General Plan, and the status of these actions are as follows:

- 142 actions are ongoing activities
 - 23 of which have completed subtasks
- 71 actions are complete and no additional ongoing activities required
- 16 actions are in process
- 7 actions are not yet scheduled for implementation
- 4 actions are informational with no specific threshold

In early 2019 the City completed a comprehensive update to the Circulation Element and the Bicycle and Pedestrian Master Plan. The Circulation Element update's primary focus was to reassess the planned road improvements in the circulation network and to determine if certain improvements should be modified or eliminated. Various changes that have been incorporated into the Traffic Impact Fee needs list and cost estimates have resulted in a \$50 million dollar reduction to future circulation improvements, which translates into an overall 24% Traffic Impact Fee reduction. This cost savings will not reduce future circulation capacity improvements; rather the City will now have a more focused list of projects that are needed to accommodate City buildout. In addition, the transportation system optimization also reduces the burden of existing residents for the City's share of the needed improvements. In the long run, the system will be less expensive to build and maintain since unneeded projects have been removed.

The Noise Element was also updated in the Fall of 2019 to help better address complaints from noise sources that have increased in the last several years as a result of new trends seen with the music venues and short term rentals. The key changes of the Noise Element update included revised noise standards for the community, new goals and policies acknowledging noise associated with Short-Term Rentals (STRs), and new goals and policies specifically targeted at concert and other entertainment venues.

In December of 2020, the City updated its 6th Cycle Housing Element, which has an eight-year planning period from 2021 through 2028. Key changes to the Housing Element include new policies and programs that identify the actions that will be taken to make sites available during the new planning period with appropriate land use and development standards and with services/facilities to accommodate the City's share of regional housing need for each income level. Some of the more notable programs that stand out in the Housing Element include updating the City's Accessory Dwelling Unit (ADU) Ordinance to promote construction of ADUs, reducing parking standards for smaller units located outside the Uptown/Town Centre Specific Plan, and utilizing fractional density units to encourage smaller units that are affordable by design.

1) Housing Production

The status of housing production and entitlement activity in 2024 is summarized in Table 1 below:

Table 1- Summary of Housing Production

Activity	Single Family Units	Accessory Dwelling Units (ADU / 2 nd Units)	Multi-Family Units	Total
Issued Certificates of Occupancy	48	21	78	147
Units built in Uptown/Town Center Specific Plan Area	4	15	3	22
Units under construction	179	129	2	310
Units in plan check	161	134	230	525
Units entitled	0	0	28	28

2) Regional Housing Needs Allocation (RHNA) - 1/1/19 to 12/31/28

The purpose of the housing report is to monitor the implementation of the City's General Plan Housing Element and progress toward meeting the City's Regional Housing Needs Allocation (RHNA). The State Regional Housing Needs Allocation target requirement for the prior (5th Cycle) 2014-2019 planning period required the City to plan for 492 dwelling units. Under the new 6th Cycle, which has a planning period from 1/1/19 to 12/31/28, the City is required to plan for 1,446 dwelling units. It should be noted that Housing Element law does not require the City to ensure that the numbers of dwelling units identified in the RHNA are actually built within the planning period. The law does, however, require that the City provide an inventory of land suitably zoned and with available infrastructure and utilities to meet that need. The following table shows the building permits that have been issued to date.

Table 2- Permitted Units Issued by Affordability

Income Level	6 th Cycle RHNA Allocation	Permitted Units Issued by Affordability						Total Units by Income Level	Total Units Remaining by Income Level
		Projection Period (2019-2020)	2021	2022	2023	2024	2025-2028		
Extremely Low & Very Low	356	0	0	23	65	0	--	88	268
Low	224	9	14	15	66	64	--	168	56
Moderate	259	54	29	220	33	67	--	403	0
Above Moderate	607	22	29	45	44	179	--	319	288
Total Units	1,446	85	72	303	208	310	--	978	
								Total Remaining for RHNA Period	612

Although the State does not require jurisdictions to ensure how many units receive a Certificate of Occupancy, since this standard is dependent on the private developers, the following table is also included to compare the RHNA requirements to the number of completed units.

Table 3- Completed Units by Affordability

Income Level	6 th Cycle RHNA Allocation	Completed Units by Affordability							Total Units by Income Level	Total Units Remaining by Income Level
		2019	2020	2021	2022	2023	2024	2025-2028		
Extremely Low & Very Low	356	52	54	0	0	0	0	--	106	250
Low	224	23	27	8	6	12	10	--	86	138
Moderate	259	90	18	14	22	92	89	--	325	0
Above Moderate	607	14	11	10	24	38	48	--	145	462
Total Units	1,446	179	110	32	52	142	147	--	662	
Total Remaining for RHNA Period										784

3) Housing Constraints and Opportunities Committee

The Housing Constraints and Opportunities Committee (HCOC) was established as part of the 2014 Housing Element. The Committee was appointed by the City Council to review housing issues and make recommendations to the City Council on ways to increase housing production. Over the years, the HCOC has been instrumental in moving forward initiatives, including tailoring fees to unit size to reduce fees for smaller units, substantially reducing of water/sewer charges for new residential construction, and producing a Circulation Element update that resulted in a 24 percent reduction in the transportation impact fee associated with elimination of certain planned improvements.

During the process of updating the 6th cycle General Plan Housing Element, the HCOC met five times to discuss housing issues, identify potential sites and strategies to meet the RHNA, review best practices, provide guidance on potential Housing Element policies and implementing programs, and discuss future housing initiatives.

Since the adoption of the Housing Element, the HCOC has been utilized to provide input back to staff on implementation of the programs identified in the 6th cycle Housing Element, including updates to the Zoning Code. During 20224, the HCOC met once to provide final input on the Comprehensive Update to the Zoning Code, at which time they also discussed updates to the City's Development Impact Fees. For both of these discussion items, the HCOC has shown tremendous help in facilitating discussions around housing policies and procedures for increasing housing production. The Comprehensive Update to the Zoning Code was finalized by City Council in October of 2024.

4) Specific Plan Progress

Both the Beechwood Specific Plan and the Olsen South Chandler Ranch Specific Plans were approved in 2020. The Beechwood Specific Plan consists of 952 housing units within an overall 234-acre master planned community on the east side of the City. The Olsen South Chandler Ranch Specific Plan consists of 1,293 new residences on approximately 358-acres, also located on the east side of the City.

Olsen South Chandler Ranch has nearly all of its backbone infrastructure complete with the majority of this work being done during the 2024 reporting season. Due to the timing of this report, substantial development of units is underway within the specific plan, with the recent completion of an affordable housing project. However, these units won't be reported as complete until next year's annual progress report. The Beechwood specific plan is still working on their tentative subdivision maps, and they have grading and improvement plans for Phase 1 currently in review.

5) Summary of Progress & Issues

- Out of the 240 General Plan policy action items (not including the Housing Element), 97 percent are completed, ongoing, or are in the process of being completed.
- The City is tracking progress with the 6th Cycle (2021-2028) Housing Element including progress on new Action Items.
- The City has a 6th Cycle RHNA assignment of 1,446 residential units to be constructed between January 1, 2019 and December 31, 2028. To date, there have been 662 units constructed, or 46% units completed. This represents an increase of 10% completion since the prior reporting year.
- As of December 31, 2024 there were 147 completed residential units, 310 residences under construction, 525 residential permits either ready to pick up or in plan check, and 28 units entitled.
- Overall housing development saw an increase in the number of residential units in which permits were issued and/or under construction during 2024, increasing from 208 units in 2022 to 310 units in 2024. The increase is largely due to tract development in the River Oaks II specific plan area, with a large number of homes being built in the Vintage neighborhood, an age-restricted development for residents aged 55 and over. Additionally, development of single family homes and ADUs in Planning Areas 13 and 15 of the Olsen South Chandler Ranch make up the remaining majority of units under construction, indicating that the specific plan developments are substantial drivers towards the City of Paso Robles current development activity.
- There were a total of 28 residential units that were entitled during 2024, a significant decrease from the prior reporting year, which had included a majority of units in the Beechwood and Olsen South Chandler Ranch specific plan areas. All 28 units are multiple-family, with 27 of the units being moderate income and 1 unit being very low-income category. Due to a low entitlement rate, this means that the City should consider revisiting its policies regarding housing accelerator programs to fast-track the housing entitlement process, especially for infill multiple-family type development.
- The Housing Constraints and Opportunities Committee made substantial progress in prior years to reducing barriers to housing development, including reducing one of the most significant development impact fees (e.g. transportation fees) and making a recommendation to City Council to reduce those fees as part of the City's comprehensive update to the Circulation Element which was adopted in early 2019. In 2024, the HCOC met once. Topics discussed by the HCOC included

reviewing the City's progress on the Comprehensive Update to the Zoning Code, which was completed in October 2024, and reviewing an update to the City's Development Impact Fees.

Fiscal Impact

None

CEQA

Staff recommends the Planning Commission find this action is not a project under the California Environmental Quality Act pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), §§ 15060, subd. (c)(2)-(3), 15378, because it involves general policy reporting and administrative activities which do not involve any commitment to a specific project and will not result in a direct or reasonably foreseeable indirect physical change in the environment.

Recommendation (Option 1)

Recommend approval of the 2024 General Plan Annual Report to the City Council and that the City Council direct staff to send the Annual Report to the State.

Attachments

1. Attachment 1. General Plan Action Items status report
2. Attachment 2. General Plan Housing Element status report