

4.14 POPULATION AND HOUSING

This section provides information on the existing population, employment characteristics, and housing availability within San Luis Obispo County and the unincorporated community of Nipomo and evaluates the potential effects of the proposed DRSP on these resources.

4.14.1 Existing Conditions

4.14.1.1 Population

4.14.1.1.1 COUNTY OF SAN LUIS OBISPO

The project site is located in the unincorporated community of Nipomo in San Luis Obispo County. Based on the 2050 Regional Growth Forecast prepared by the SLOCOG, San Luis Obispo County’s population has grown steadily over the last few decades, although the rate has slowed markedly in recent years (Table 4.14-1). According to the latest estimates provided by the California Department of Finance (CDOF), county population growth has not exceeded 1.0% since 2002, and has generally trended lower since then. One of the primary reasons for slower population growth in a given region is declining fertility rates, and San Luis Obispo County is no exception. The CDOF’s estimates of fertility rates in California have been 2.1% since 2009, and its projections are about 1.9% through 2023 (SLOCOG 2017).

Table 4.14-1. Population Growth between 1990 and 2020

Population	1990	2000	2010	2020
Nipomo	8,376 ¹	12,626 ²	16,714 ²	18,176 ²
Average Annual Growth (%)	--	5.1%	3.2%	0.9%
San Luis Obispo County – Unincorporated Areas	90,116	103,975	118,118	120,452
Average Annual Growth (%)	--	1.5%	1.4%	0.2%
San Luis Obispo County – Countywide	217,162	246,681	269,637	282,424
Average Annual Growth (%)	--	1.4%	0.9%	0.5%

¹ Within Nipomo URL (County of San Luis Obispo [1994])

² Within Nipomo Census designated place (U.S. Census Bureau [2022])

Two sources for regional population growth assumptions are used in the 2050 Regional Growth Forecast: the CDOF population projections and an independent population growth model developed by Beacon Economics developed for San Luis Obispo County. The Beacon Economics model reflects historical trends and accounts for the assumption that the growth rate will continue to decline. Beacon Economics estimated that the county’s population will surpass 320,000 by 2050, which is 2.2% higher than the CDOF’s projection of 313,500 at the time the 2050 Regional Growth Forecast was published (Table 4.14-2; SLOCOG 2017).

Current CDOF population projections estimate that the county’s population will decline to approximately 273,542 in 2050 and decrease to 263,650 by the year 2060 (CDOF 2021).

Table 4.14-2. County of San Luis Obispo Population Projections, 2025 to 2060

Projection	2025	2030	2035	2040	2045	2050	2055	2060
California Department of Finance	281,643	284,334	285,918	284,346	280,262	274,677	268,911	263,650
California Department of Finance Average Annual Growth Rate	--	1.0%	0.6%	-0.5%	-1.4%	-2.0%	-2.1%	-2.0%

Source: CDOF (2021)

Although not the fastest-growing area in the county, the unincorporated areas of the county account for just under half of the county’s population growth between 2000 to 2016 (SLOCOG 2017). The city of Paso Robles has been the fastest-growing city in the county, increasing by 7,100 persons since 2000, resulting in an average annual growth rate of 1.83%. The city of Atascadero has also had a higher growth rate than that of the countywide growth rate at 1.06% per year. Conversely, the city of Pismo Beach has experienced a decline in population since 2000, losing over 4% of its population. The city of San Luis Obispo, the largest city in the county and the centrally located employment center, increased by fewer than 2,000 persons since 2000, resulting in a growth rate of 0.27%. By comparison, the population of the city of Santa Maria, located just south of Nipomo, has increased by nearly 35% between 2000 and 2016, approximately double the state’s growth rate during that period. Santa Maria’s increased growth rate is likely attributable to its proximity to employment centers in San Luis Obispo County, as well as its relatively affordable housing prices (SLOCOG 2017).

In 2019 the median age in San Luis Obispo County (40.0) was 3 years higher than the statewide median age (37.0), with the median age of Nipomo only 0.4 year below the county median (39.6). The under-18-years age cohort provides some insight into the rate of household formation of a given region, as well as the desire for young couples to put down roots in a given area (SLOCOG 2017). San Luis Obispo County has a lower percentage of population of 19 years and younger (21.9%) when compared to the state as a whole (25.6%). However, Nipomo’s share of residents that are 19 years old or younger accounts for approximately 24.4% of its population (Table 4.14-3).

Table 4.14-3. Comparison of Selected Age Cohorts in Nipomo, the County of San Luis Obispo, and California

Age Cohort		Nipomo CDP ¹	San Luis Obispo County	California
0 to 19 Years	Population	4,297	60,568	10,166,189
	Share of Population	24.4%	21.9%	25.6%
20 to 39 Years	Population	4,571	72,342	10,825,180
	Share of Population	26.0%	26.2%	27.2%
40 to 64 years	Population	5,697	79,649	12,504,034
	Share of Population	32.4%	28.8%	31.4%
65 years and older	Population	3,036	63,592	6,287,016
	Share of Population	17.2%	23.0%	15.8%

Source: CDOF (2020)

Note: CDP = census designated place

¹ Source: U.S. Census Bureau (2019).

4.14.1.1.2 UNINCORPORATED COMMUNITY OF NIPOMO

The project site is located in the unincorporated community of Nipomo in the South County Planning Area in San Luis Obispo County. Nipomo is a community located in the southern portion of San Luis Obispo County between the city of Arroyo Grande and the city of Santa Maria, approximately 6 miles east of the Pacific Ocean coastline.

Nipomo is defined geographically by several different boundaries. The Nipomo URL is a boundary separating urban/suburban land uses and rural land uses. It is identified by the County's Framework for Planning (Inland) and defines growth areas and urban centers in which the County actively coordinates plans, policies, and standards relating to building construction, subdivision development, land use and zoning regulations, street and highway construction, public utility systems, and other matters related directly to the orderly development of urban areas. Consequently, the Nipomo Community Plan Area boundary and the Nipomo URL boundary are the same.

Nipomo is also identified as a census designated place (CDP) by the U.S. Census Bureau. The Nipomo CDP Boundary includes the area within the Nipomo URL in addition to certain areas immediately outside of the URL (see Figure 4.14-1). A CDP is defined for statistical purposes only.

Lastly, the Nipomo Mesa area is an approximately 19,092-acre area, including the Nipomo URL area and the Blacklake, Woodlands, Callender-Garrett, Palo Mesa, and Los Berros village areas for which the County has limited the maximum number of new dwelling units allowed to no more than 1.8% above the number of existing dwelling units from the previous fiscal year (see Figure 4.14-1).

In 2020, the Nipomo CDP had a population of 18,176, comprising approximately 6.4% of the county's population of 282,424. The Nipomo CDP has experienced an average annual increase in population of 3.07% between 1990 and 2020 (see Table 4.14-1). Comparatively, the county has experienced an average annual increase of 0.93% since 1990. Based on the 2050 Regional Growth Forecast for San Luis Obispo County, the Nipomo URL is anticipated to reach an estimated buildout population of 23,462 by the year 2060 (SLOCOG 2019b).

As shown in Table 4.14-3, the Nipomo CDP has a higher percentage of children and young adults 19 or younger than the county as a whole but is still slightly lower than the state. Alternatively, the Nipomo CDP has a higher percentage of individuals 65 or older than the state but is slightly less than the overall county's percentage. The racial demographics of individuals ages 18 and older in the community of the Nipomo CDP are summarized in Table 4.14-4.

According to the California Office of Environmental Health and Hazard Assessment (OEHHA), the project site is located within a census tract that is within the 31st percentile for population characteristics. This means that on average, resident population characteristics fall below 31% of all census tracts in the state of California. Population characteristics represent physiological traits, health status, or community characteristics that can result in increased vulnerability to pollution. Population characteristics that are included in this metric include, but are not limited to, individuals with asthma, low birth weight, cardiovascular disease, poverty, and unemployment (OEHHA 2021).

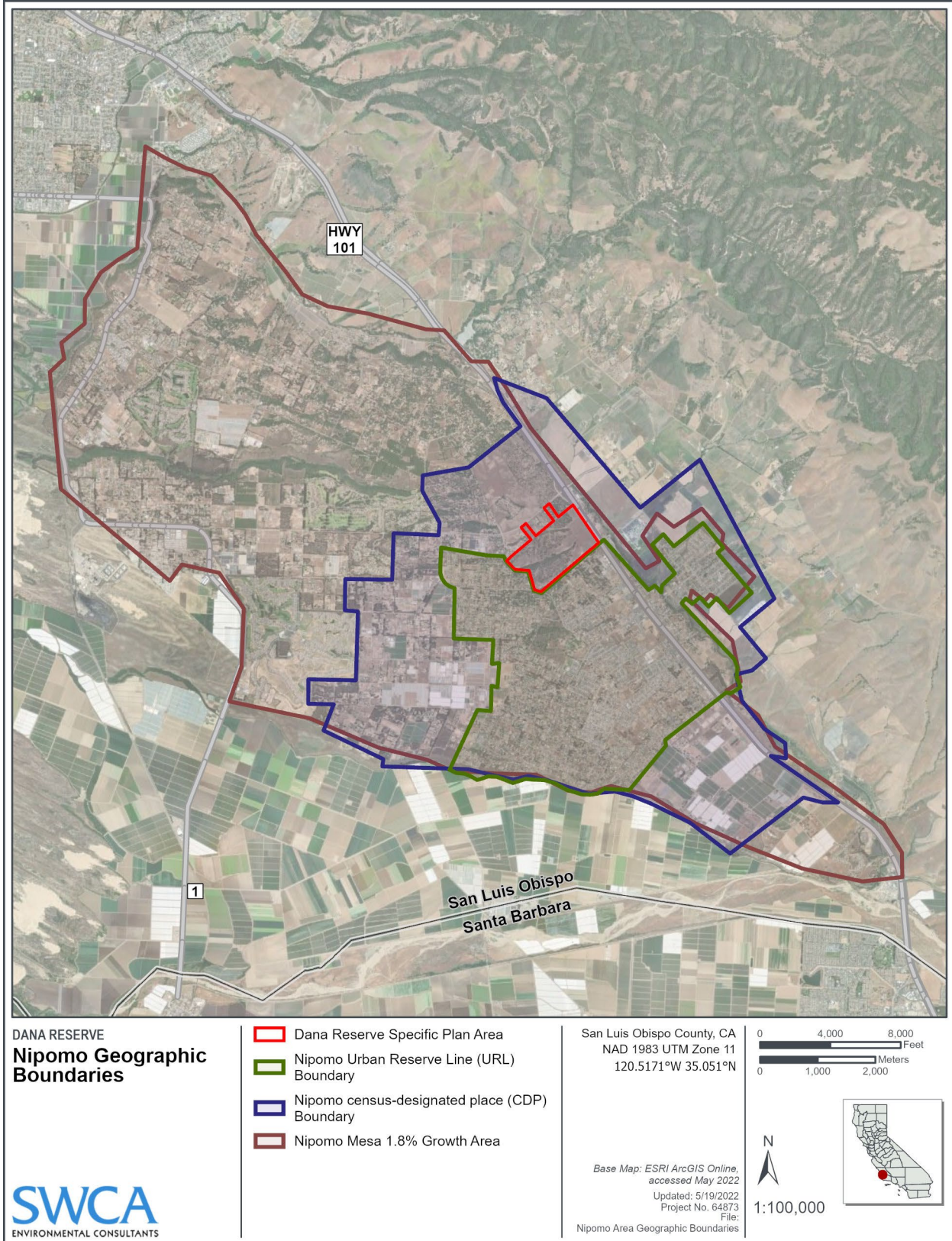


Figure 4.14-1. Nipomo geographic boundaries.

Table 4.14-4. Racial Demographics of Population 18 Years and Older in Nipomo (CDP) and San Luis Obispo County as of 2020

Race		Nipomo CDP	San Luis Obispo County
White Alone	Population	8,255	168,770
	Share of Population	59.7%	72.8%
Black or African American Alone	Population	110	4,069
	Share of Population	0.8%	1.8%
American Indian and Alaska Native Alone	Population	265	2,493
	Share of Population	1.9%	1.1%
Asian Alone	Population	395	9,169
	Share of Population	2.9%	4.0%
Native Hawaiian and Other Pacific Islander Alone	Population	24	332
	Share of Population	0.2%	0.1%
Other Race Alone	Population	2,329	20,445
	Share of Population	16.8%	8.8%
Two or More Races	Population	2,335	26,466
	Share of Population	16.9%	11.4%
Total Population 18 Years and Older		13,829	231,744

4.14.1.2 Employment

4.14.1.2.1 COUNTY OF SAN LUIS OBISPO

As of 2017, by far, the largest employment industry in San Luis Obispo County is educational services, health care, and social assistance, which accounted for nearly 22% of jobs. This can be largely attributed to jobs generated by California Polytechnic State University, San Luis Obispo (Cal Poly), as well as other education facilities, including Cuesta Community College, within the county. The second largest industry is arts, entertainment, recreation, accommodation, and food services, which accounted for approximately 11% of jobs. The smallest industry, information, only accounted for 1% of jobs (County of San Luis Obispo 2020). Employment industries in San Luis Obispo County and associated employment data are provided in Table 4.14-5.

Table 4.14-5. Employment by Industry in San Luis Obispo County (2017).

Industry	Countywide		Unincorporated County	
	Number of Employees	Percent	Number of Employees	Percent
Agriculture, forestry, fishing and hunting, and mining	4,480	3.5	2,924	5.7
Construction	10,235	7.9	5,293	10.4
Manufacturing	8,841	6.9	3,150	6.2
Wholesale trade	2,820	2.2	1,098	2.2
Retail trade	14,851	11.5	5,628	11.1
Transportation, warehousing, and utilities	5,845	4.5	2,292	4.5
Information	2,012	1.6	604	1.2

Industry	Countywide		Unincorporated County	
	Number of Employees	Percent	Number of Employees	Percent
Finance, insurance, real estate, and rental and leasing	5,842	4.5	2,636	5.2
Professional, scientific, management, administrative, and waste management services	13,821	10.7	5,579	11.0
Educational services, health care, and social assistance	30,501	23.6	10,782	21.2
Arts, entertainment, recreation, accommodation, and food services	16,229	12.6	5,468	10.7
Other services (except public administration)	6,676	5.2	2,689	5.3
Public administration	7,124	5.5	2,772	5.4
Total (Civilian employed population 16 years and over)	121,788	100	50,915	100

Source: County of San Luis Obispo (2020)

Based on data obtained from the California Employment Development Department (EDD), civilian employment in San Luis Obispo County grew over 20% between 2000 and 2015, which was primarily a result of employers in many large sectors expanding their payrolls. The individual industries with the greatest job growth within that timeframe included educational and health services (65.4%), professional and business services (44.5%), and accommodation (42.7%). Other specific industries that experienced substantial growth between 2000 and 2015 included other services, food services, and transportation, warehousing, and utilities. These gains have counterbalanced losses in a number of other sectors, including information and manufacturing (SLOCOG 2017).

Historically, the unemployment rate for San Luis Obispo County has been low when compared to the unemployment rate for the State of California and the nation. The most recent peak in unemployment in the county occurred in 2010 when unemployment rates reached 10.1%, while the state’s unemployment rate also reached a peak of 12.2%. The county’s unemployment rate has steadily decreased since then by approximately 1% per year up until 2016. According to the California EDD, the county’s unemployment rate in November 2021 was 3.6%, which is 1.8% lower than the statewide unemployment rate of 5.4% at that time (California EDD 2021).

4.14.1.2.2 UNINCORPORATED COMMUNITY OF NIPOMO

The Inland South County Planning Area encompasses 441,790 acres and contains three incorporated cities (City of Grover Beach and City of Pismo Beach), two unincorporated areas (Nipomo and Oceano), and six village areas (Black Lake, Callender-Garrett, Los Berros, Palo Mesa, and Woodlands). According to the Inland South County Area Plan, approximately 80% of employed residents who reside in the South County Planning Area in San Luis Obispo County work full-time and the remaining 20% hold part-time or seasonal jobs. A major factor contributing to high part-time employment is the nature of business in agriculture and the tourist business. Approximately 13% of the planning area residents work in the area, while the rest commute to other localities (County of San Luis Obispo 2018).

As of 2019, the Nipomo CDP’s unemployment rate for the population 16 years and over was approximately 5.4%, which is higher than the 4% countywide unemployment rate for that population that year (U.S. Census Bureau 2019).

4.14.1.3 Housing

4.14.1.3.1 COUNTY OF SAN LUIS OBISPO

Housing Supply and Number of Households

Dwelling units are a common measure of housing supply, including single-family dwellings, multi-family units (apartments or condominiums), and manufactured homes. While the majority of housing units in the county are detached single-family units, manufactured homes and multi-family homes represent a significant portion of the county’s housing supply. Table 4.14-6 provides an overview of existing housing units in the Nipomo CDP, county, and state, as of 2018.

Table 4.14-6. Housing Units by Type in Nipomo, San Luis Obispo County, and California as of 2018

Type of Unit	Nipomo CDP ¹		Unincorporated San Luis Obispo County		Countywide		California ¹	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
Single-Family Detached	4,261	75.2%	39,572	77.3%	83,330	67.9%	8,177,141	57.3%
Single-Family Attached	168	3.0%	1,493	2.9%	6,633	5.4%	1,014,941	7.1%
Two to Four Units	319	5.6%	2,261	4.4%	9,292	7.6%	1,142,582	8.0%
Five or More Units	238	4.2%	1,390	2.7%	12,718	10.3%	3,404,600	23.8%
Mobile Homes or Other Housing Type	678	12.0%	6,475	12.6%	10,837	8.8%	538,603	3.8%
Total units	5,664	100.0%	51,191	100%	122,810	100.0%	14,277,867	100.0%

Source: County of San Luis Obispo (2020)

¹ U.S. Census Bureau (2018)

In 2017 there were 41,643 households in unincorporated San Luis Obispo County, consisting of 29% renter-occupied units and 71% owner-occupied units, representing a 3.2% increase over the number of households in 2010 (County of San Luis Obispo 2020).

Housing Needs and Availability

Vacancy rates are key indicators of housing availability within a given region. When vacancy rates are high, they indicate an adequate supply of housing; consequently, prospective buyers and renters have more options to choose from. When vacancy rates are low, the choice of housing options is limited, and demand for housing exceeds supply and contributes to increases in cost. Extreme vacancy rates can create additional challenges ranging from a critical housing shortage if vacancy rates are too low, to income loss and maintenance problems associated with vacancy rates that are too high (County of San Luis Obispo 2020). According to Federal Housing Administration Standards, in order to ensure adequate choice and availability of housing for buyers while keeping a balanced housing market for landlords and sellers, desirable vacancy rates would range between 4% and 6% for rental units and between 1% and 3% for owner-occupied units. San Luis Obispo County generally has very low vacancy rates for both rental units and owner-occupied units, which creates a very competitive housing market for prospective buyers and renters (SLOCOG 2019a).

Most of the county’s vacant housing stock consists of seasonal, recreational, or occasional use units. These units are not available for regular long-term rental use and do not address the county’s demand for residential housing. Between 2010 and 2017, the county experienced an overall increase in the number of vacant units in the unincorporated county and the vacancy rate increased from 5.4% to 6.0%. The county’s housing vacancy data for 2017 is summarized in Table 4.14-7.

Table 4.14-7. Housing Vacancy Rates in Nipomo, San Luis Obispo County, and California as of 2017

Status	Nipomo CDP		Unincorporated County		Countywide		California	
	Units	Percent	Units	Percent	Units	Percent	Units	Percent
For Rent	91	5.2%	426	1.2%	1,190	1.0%	214,814	3.5%
For Sale Only	0	0%	449	0.9%	826	1.1%	72,701	1.0%
Rented or Sold, Not Occupied	49	--	490	0.4%	801	0.2%	116,292	--
Seasonal, Recreational, or Occasional Use	12	--	6,073	9.4%	9,895	14.6%	416,596	--
Other	99	--	1,026	1.8%	1,905	2.5%	351,770	--
Total Vacant Units	251	--	8,603		15,138		1,172,173	--
Vacancy Rate	--	4.2%	--	20.7%	--	14.4%	--	8.3%
Vacancy Rate Minus Seasonal, Recreational, or Occasional	--	N/A	--	6.0%	--	5.0%	--	N/A
Total All Units	5,912	--	41,643	--	105,044	--	14,177,270	--

Source: County of San Luis Obispo (2020); U.S. Census Bureau (2017)

The Regional Housing Needs Assessment (RHNA) is an assessment tool that quantifies the need for housing by income group within a given region during a specific planning period. The current planning period for San Luis Obispo County is December 2020 through December 2028. The RHNA is used in land use planning to prioritize local resource allocation and to help decide how to address existing and future housing needs so the region can grow in ways that enhance quality of life, improve access to jobs, promote transportation mobility, and address social equity and fair share housing needs. State legislation and the RHNA process are intended to address housing needs for projected state population and household growth to create a better balance of jobs and housing in communities, and to ensure the availability of decent affordable housing for all income groups (SLOCOG 2019a). Table 4.14-8 summarizes the overall allocation of housing units for each jurisdiction by income category.

Table 4.14-8. County of San Luis Obispo Regional Housing Need Allocation 2020 to 2028

Jurisdiction	Total Allocation for New Housing	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Arroyo Grande	692 (6.4%)	170	107	124	291
Atascadero	843 (7.8%)	207	131	151	354
Grover Beach	369 (3.4)	91	57	66	155
Morro Bay	391 (3.6)	97	60	70	164
Paso Robles	1,446 (13.4%)	356	224	259	607
Pismo Beach	459 (4.2%)	113	71	82	193
San Luis Obispo	3,354 (31.0%)	825	520	603	1,406
Unincorporated Areas	3,256 (30.1%)	801	505	585	1,365
Countywide Total	10,810	2,660 (24.6%)	1,675 (15.5%)	1,940 (18.0%)	4,535 (41.9%)

Source: SLOCOG (2019a).

As shown in Table 4.14-8, unincorporated areas are responsible for approximately 30% of the total allocation for new housing units within the county.

Housing Affordability

San Luis Obispo County is one of the least affordable housing markets in the United States (County of San Luis Obispo 2020). The County defines affordable housing as housing that is affordable to very low-, moderate-, or workforce-income households. Housing is considered affordable if total housing costs do not exceed 30% of household income. In the context of meeting the unincorporated county's allocation of regional housing needs share, dwelling units typically must be deed restricted to limit rental or purchase of the dwelling units to households that qualify as extremely low-, very low-, and low-income levels. The following are the County's defined income categories for households:

- Extremely low income: 30% or less of the county median income.
- Very low income: no more than 50% of the county median income.
- Low income: no more than 80% of the county median income.
- Moderate income: no more than 120% of the county median income.
- Above moderate income: 81% to 120% of the county median income.
- Workforce income: no more than 160% of county median income.

According to the *County of San Luis Obispo General Plan 2020-2028 Housing Element*, only 16.5% of families can afford to purchase a median-priced home in San Luis Obispo County. This can result in young adult workers and families deciding to leave San Luis Obispo County to find higher-paying employment opportunities and more affordable housing elsewhere. However, many people, particularly retiring, affluent "baby-boomers" from larger metropolitan areas, are attracted to San Luis Obispo County's natural beauty, its central location between large population centers, and more affordable housing prices compared to other coastal counties (County of San Luis Obispo 2020).

In fall 2021, the County Board of Supervisors identified housing as one of its top priorities for the fiscal year 2021 to 2023 budget and County policies and programs continue to focus on creating more housing availability and improving affordability. However, the affordability of housing in the county is heavily influenced by numerous constraints and challenges, including, but not limited to, high costs of development and land, and limited resources and infrastructure (County of San Luis Obispo 2020).

Accessory Dwelling Units

ADUs are attached or detached residential dwellings that provide independent living facilities located on the same parcel as an existing residential structure. These units include permanent provisions for living, sleeping, eating, cooking, and sanitation. Since the approval of recent state ADU laws, construction and use of ADUs on qualifying parcels is allowed in San Luis Obispo County through ministerial approval, meaning they are not subject to a discretionary review process and are statutorily exempt from CEQA. ADUs are generally viewed as innovative, affordable, and effective options for creating new housing opportunities in California.

A JADU is defined by the CBC as a unit no more than 500 square feet in size and contained entirely within a single-family residence. A JADU may include separate sanitation facilities (i.e., shower, bath, sink, etc.) or may share sanitation facilities with the primary structure.

In 2019 the County approved an ADU Ordinance. Historical ADU development within the unincorporated county area and projected ADU development through 2028 are provided in Table 4.14-9.

Table 4.14-9. Unincorporated County Historic and Projected ADU Development

	Total	Income Category			Above Moderate
		Very Low	Low	Moderate	
ADUs Approved, Under Construction, or Completed (January 1, 2013–December 31, 2021)	159	0	79	80	0
ADUs Projected Through December 2028	1,665	832		566	267

Source: County of San Luis Obispo (2022)

Jobs-to-Housing Ratio

A jurisdiction’s jobs-to-housing ratio is a key indicator of both availability of jobs within an area and availability of local housing. The jobs-to-housing balance is a planning tool used to review whether a community has a healthy balance between jobs and the housing supply available to potentially house workers for those jobs. This balance may be impacted by the match between wage levels and housing costs, whether all workers in a house have employment in the community in which they live, whether preferences are met within the community for either housing or employment, and whether options are available nearby for either housing or employment.

San Luis Obispo County has a long-standing jobs-to-housing imbalance from one jurisdiction to another, particularly in the central portion of the county (i.e., City of San Luis Obispo and proximate jurisdictions, such as the City of Morro Bay and City of Pismo Beach) (Table 4.14-10; SLOCOG 2019a). This can be partially attributed to the prevalence of full-time college students attending Cal Poly or Cuesta College making up a large portion of the city of San Luis Obispo’s population, which exerts a strong influence on the local housing market. This population of college students and associated high demand for student rental housing near these college campuses has resulted in and is often attributed to the consistently low vacancy rates within the city of San Luis Obispo, resulting in an increased number of workers who are employed in the city of San Luis Obispo to seek housing outside the city.

Table 4.14-10. Jobs-to-Housing Ratios in San Luis Obispo County (2015 Estimates)

Jurisdiction	Jobs	Share of Region’s Jobs	Housing Units	Share of Region’s Housing Units	Jobs/Housing Ratio
Arroyo Grande	6,421	5.9%	7,615	6.6%	0.84
Atascadero	8,964	8.2%	11,651	10.0%	0.77
Grover Beach	3,232	3.0%	5,459	4.7%	0.59
Morro Bay	3,782	3.4%	6,605	5.7%	0.57
Paso Robles	15,071	13.7%	11,846	10.2%	1.27
Pismo Beach	4,846	4.4%	5,549	4.8%	0.87
San Luis Obispo	34,163	31.1%	21,245	18.3%	1.61
Unincorporated County Area	33,261	30.3%	46,038	39.7%	0.72
Regional Total	109,740	100%	116,008	100%	0.95

Source: SLOCOG (2019a)

4.14.1.3.2 UNINCORPORATED COMMUNITY OF NIPOMO

Housing Supply and Number of Households

The housing stock of the Nipomo CDP as of 2018 is provided by housing type in Table 4.14-6, with single-family detached houses representing the majority of the housing stock with 75.2% of all housing units. Between 2015 and 2019, the Nipomo CDP had an average of 5,561 total households, representing approximately 5.2% of households in the county during that time. The average household size in the Nipomo CDP between 2015 and 2019 was 3.16, which was 25.9% higher than the average countywide household size of 2.51 between 2015 and 2019 (U.S. Census Bureau 2021).

Housing Needs and Availability

Based on the U.S. Census Bureau, the Nipomo CDP had an overall vacancy rate of 4.2% in 2017. The *County of San Luis Obispo Growth Management Ordinance* (Title 26) describes the general procedures for determining the number of dwelling unit construction permits shall be allowed to be processed by the County Planning and Building Department each fiscal year. The Nipomo Mesa area is defined by the Growth Management Ordinance and identifies areas for which the County has limited the maximum number of new dwelling units allowed to no more than 1.8% above the number of existing dwelling units from the previous fiscal year (as shown in Figure 4.14-1). As shown in Table 4.14-11, between 24% and 45% of new dwelling construction in unincorporated county areas between 2009 and 2019 has been located in the Nipomo Mesa area. This trend has been heavily influenced by the buildout of the Woodlands Specific Plan on the Nipomo Mesa.

Table 4.14-11. Historical Housing Development Trends and Distribution

Fiscal Year	Number of New Dwelling Units Annually		Percent of Unincorporated Countywide New Dwelling Units in Nipomo Mesa ¹ (including Woodlands)	Total Dwelling Units at End of Fiscal Year		Percent of Unincorporated Countywide Total Dwelling Units in Nipomo Mesa ¹ (including Woodlands)
	Unincorporated Countywide	Nipomo Mesa ¹ (including Woodlands)		Unincorporated Countywide	Nipomo Mesa ¹ (including Woodlands)	
2009–2010	137	33	24%	41,227	6,342	15%
2010–2011	123	37	30%	41,350	6,379	15%
2011–2012	115	33	29%	41,465	6,412	15%
2012–2013	251	114	45%	41,716	6,526	16%
2013–2014	379	151	40%	42,095	6,677	16%
2014–2015	277	123	44%	42,372	6,800	16%
2015–2016	302	135	45%	42,674	6,935	16%
2016–2017	517	172	33%	43,191	7,107	16%
2017–2018	317	126	40%	43,508	7,233	17%
2018–2019	295	103	35%	43,803	7,336	17%
2019–2020	230	54	23%	44,033	7,390	17%

Source: County of San Luis Obispo staff (2021)

¹ For the purposes of this analysis, the Nipomo Mesa area refers to the 1.8% growth area depicted in Figure 1 of the Growth Management Ordinance.

Housing Affordability

The median household income for residents in the Nipomo CDP was \$82,543 from 2015 to 2019, which is 12.3% higher than the County median household income of \$73,518, and 9.7% higher than the state median income of \$75,235. According to the U.S. Census Bureau, the median value of owner-occupied housing units with mortgages in the Nipomo CDP from 2015 to 2019 was \$534,100. In comparison, the Nipomo CDP median housing value was 8.9% lower than the countywide median value of owner-occupied housing units of \$581,900, and 2.1% higher than the median value of owner-occupied housing units in California of \$523,000 (U.S. Census Bureau 2019).

4.14.2 Regulatory Setting

Population and housing for the project area are governed primarily by state and local regulations that would apply to future development under the DRSP. Relevant state and local regulations that are directly relevant to the project are summarized below.

4.14.2.1 Federal

There are no federal regulations related to population and housing applicable to the project.

4.14.2.2 State

4.14.2.2.1 CALIFORNIA HOUSING LAW

State law (California Government Code Sections 65580–65589.8) recognizes the vital role local governments play in the supply and affordability of housing. Local governments in California are required to adopt a comprehensive, long-term general plan for the physical development of the jurisdiction, including a housing element. The California State Housing Element law, enacted in 1969, requires local governments to adequately plan to meet the existing and projected housing needs of all economic segments of the community within a given planning period. The law acknowledges that in order for the private market to adequately address housing needs and demand, local governments must adopt land use plans and regulatory systems which provide opportunities for, and do not unduly constrain, housing development. The California Housing Element law also requires the California Department of Housing and Community Development (HCD) to review local housing elements for compliance with state law and to report its written findings to the local government.

4.14.2.2.2 CALIFORNIA SENATE BILL 9

On September 16, 2021, the Governor approved SB 9. The goal of this bill is to help combat the housing crisis by encouraging small-scale residential development on eligible lots (see “Eligible Lot Determination” below) through streamlining the process for construction of up to two primary dwellings and/or subdivision of an existing lot. As such, this bill has two main components:

1. Development Component (Construction of Two Primary Dwellings): Construct up to two primary dwellings on an eligible lot; and
2. Subdivision Component (Lot Split): Subdivide an eligible lot of at least 2,400 square feet into two lots.

An applicant may use one or both components of SB 9. If only the development component is used, an eligible lot could qualify to be established with up to one ADU and one JADU. Table 4.14-12 provides examples of the maximum residential development potential based on various development scenarios. The examples listed below are not exhaustive, as other combinations of dwelling unit types are possible.

Table 4.14-12. Example Maximum Residential Development Potential.

Development Scenario	Number of Primary Dwellings	Number of ADUs	Number of JADUs	Total Number of Dwellings
Eligible Lot Uses: Development Component Only	2	1	1	4
Eligible Lot Uses: Subdivision Component Only	2 (1 per lot)	2 (1 per lot)	0	4
Eligible Lot Uses: Both Components	4 (2 per lot)	0	0	4

Eligibility criteria include, but are not limited to, if the urban lot split would not require the demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income; that the parcel is located within a single-family residential zone; and that the parcel is not located within a historic district, is not included on the State Historic Resources Inventory, and is not within a site that is legally designated or listed as a city or county landmark or historic property or district (California Legislative Information 2020).

The unincorporated community of Nipomo is considered an urbanized area for the purposes of SB 9 development and subdivisions. SB 9 development is allowed in areas of Nipomo that are designated Residential Single Family and outside of specified exclusion areas, such as historic districts, flood hazard areas, critical habitat, and wildlife areas. Based on the relatively recent adoption of this bill and uncertainty of how many homeowners would pursue taking advantage of one or both of its components, and the lack of any historical data that would indicate how SB 9 development could occur in the County in the future, population generation estimates associated with buildout of the Specific Plan Area did not include implementation of SB 9 based on the highly speculative nature of its use.

4.14.2.2.3 CALIFORNIA SENATE BILL 13

On October 9, 2019, SB 13 was signed into law. This bill authorizes local agencies, by ordinance, or if a local agency has not adopted an ordinance, by ministerial approval, to provide for the creation of ADUs in single-family and multi-family residential zones in accordance with specified standards and conditions. Previous law required ADUs to be either attached to, or located within, the proposed or existing primary dwelling or detached if located within the same lot, and that it does not exceed a specified amount of total area of floor space. SB 13 authorizes the creation of ADUs to allow single-family or multifamily dwelling residential use. The bill also revises the requirements for ADUs by providing that an ADU may be attached to, or located within an attached garage, storage area, or other structure.

SB 13 prohibits local agencies from requiring the replacement of parking spaces if a garage, carport, or covered parking is demolished to construct an ADU, establishing a minimum square footage requirement for either an attached or detached ADU that prohibits an efficiency unit, and establishing a maximum square footage requirement for either an attached ADU that is less than 850 square feet and 1,000 square feet if the ADU contains more than one bedroom. The bill includes several other provisions intended to relax previous restrictions associated with ADU development such as prohibition of imposing impact fees on ADU construction less than 750 square feet in size, ministerial approval timelines, and allowing jurisdictions to include ADU construction in the required housing element requirement for identifying adequate sites for housing (California Legislative Information 2019).

4.14.2.2.4 CALIFORNIA REGIONAL HOUSING NEEDS PLAN

California State Housing Element Law requires SLOCOG and other regional councils of government in California to “determine the existing and projected housing need for its region” and to determine each

jurisdiction's share of the regional housing need in the region. SLOCOG's region encompasses all of San Luis Obispo County, including its seven incorporated cities: Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo. SLOCOG has the responsibility of overseeing the assessment by identifying measures to gauge housing demand and comparing those numbers against socioeconomic factors throughout the region.

SLOCOG's "6th Cycle" Regional Housing Needs Plan set a target for the creation of 10,810 new dwelling units for the region over the 2020 to 2028 planning period. The County and each of the seven cities adopted 2020 to 2028 Housing Elements showing how they will meet their share of regional housing needs. The County's share is 3,256 new dwelling units, of which 1,170 (58.1%) must be affordable to very low-, low-, and moderate-income households.

4.14.2.3 Local

4.14.2.3.1 COUNTY OF SAN LUIS OBISPO GENERAL PLAN

Land Use and Circulation Elements

Framework for Planning (Inland)

The Framework for Planning (Inland), Part I of the LUCE) includes principles and policies that define how land will be used and how resources will be protected. The Framework for Planning (Inland) includes policies associated with population, housing, and employment, including directing development toward strategically planned communities, creating a range of housing opportunities, and encouraging mixed land uses.

2020–2028 Housing Element

The County's Housing Element establishes the framework to facilitate housing development and address current and projected housing needs, provides an assessment of housing needs for the unincorporated county, and provides a summary of the County's progress in implementing the programs from the previous Housing Element. The County's Housing Element identifies goals, objectives, policies, and programs to guide County decision-making and focused efforts during the planning period.

4.14.2.3.2 COUNTY OF SAN LUIS OBISPO INCLUSIONARY HOUSING ORDINANCE

The County's Inclusionary Housing Ordinance (last updated in March 2019 by the County Board of Supervisors) requires an affordable housing component (currently 8%) to be included in conjunction with all new residential developments, unless the developer chooses to pay an in-lieu fee, as well as establishes the housing impact fee requirement for commercial development. The Inclusionary Housing Ordinance currently does not apply to development of housing units smaller than 2,200 square feet, which encourages the development of smaller housing units that are more affordable. Inclusionary in-lieu fees collected for projects may be used to pay impact fees for affordable housing projects. Affordable housing projects, ADUs, and farmworker housing projects are exempt from paying the inclusionary fees (County of San Luis Obispo 2020).

On March 15, 2022, the County Board of Supervisors directed County staff to return at a future Board date with an ordinance to repeal the Inclusionary Housing Ordinance. County staff has tentatively scheduled the repeal hearing in June 2022.

4.14.2.3.3 COUNTY OF SAN LUIS OBISPO INLAND ACCESSORY DWELLING UNIT ORDINANCE

Pursuant to California Government Code Section 65852.2 (State Accessory Dwelling Unit Law), the County allows ADUs to be established as an accessory use to the primary residential use on a site. The County's Inland Accessory Dwelling Unit Ordinance (County Code Section 22.30.470) provides the standards for ADU development within the inland areas of the unincorporated county. Standards for ADU development include, but are not limited to, limitations on use, maximum allowable sizes, minimum setbacks, and maximum allowable building height.

4.14.2.3.4 COUNTY OF SAN LUIS OBISPO GROWTH MANAGEMENT ORDINANCE (TITLE 26)

The County has adopted a Growth Management Ordinance, Title 26 of the County Code, that limits the number of residential dwelling units that can be built in the unincorporated areas of the county during any single fiscal year (July 1–June 30). The Growth Management Ordinance establishes a 2.3% countywide growth rate and specific growth rates for identified areas based on resource availability.

In order to secure the opportunity to build one of these units, a request called an “allocation” is required. The maximum annual allocation rate in the Nipomo Mesa area is currently set at 1.8%, meaning that the maximum number of new dwelling units shall not exceed a 1.8% increase in the number of existing dwelling units from the previous fiscal year. Typically, a single applicant can obtain no more than 10% of the annual allocations on the Nipomo mesa; however, a single applicant can obtain 20% of the annual allocations in the Nipomo Mesa for multi-family/residential unit ownership projects that have received intent-to-serve letters from the applicable water district and meet any one of the following criteria:

1. The project is located in the Nipomo Olde Towne Design Plan area and is smart growth, green build, mixed use, or senior housing;
2. The project includes guaranteed long-term affordability for at least 35% of the units; or
3. The project would result in the construction of sections of road improvements that substantially improve traffic issues including those improvements identified on the South County Circulation Study Road Improvement list.

The provisions of the Growth Management Ordinance do not apply to secondary dwellings (e.g., ADUs or JADUs), affordable housing, vesting tentative maps, farm support headquarters, replacement dwellings, or projects included on the list entitled “Pipeline Projects for the Nipomo Mesa Area.”

4.14.2.3.5 COUNTY OF SAN LUIS OBISPO STANDARDS FOR THE SOUTH COUNTY SUB-AREA

County LUO Section 22.98.072 states that a Specific Plan shall be prepared for the La Canada Ranch property prior to the approval of land division applications, although a clustered land divisions proposed in compliance with the Residential Rural (RR) category, and other applicable provisions of the LUO (Title 22), may be approved without specific plan preparation. The La Canada Ranch property comprises approximately 274.4 acres of the DRSP project site. Section 22.98.072 of the South County Sub-Area Plan details the following types of uses to be included in the development of the specific plan in order of priority by acreage, scale, and intensity:

1. Open space uses within the oak woodlands;
2. Industrial park(s) that will generate “basic” employment for the Nipomo and South County area;

3. Commercial service parks that do not conflict with downtown and community shopping uses within Nipomo;
4. Retail uses to serve the daily shopping needs of employees and residents of the site;
5. Commercial retail uses; and
6. Residential areas to contain a mix of housing unit types, a portion of which should be affordable to average employee incomes on the site, timing to be concurrent with or following establishment and operation of nonresidential uses, the timing to be determined by a market feasibility study.

Other specific plan standards identified in this section include designation of the existing oak forest habitat on-site for open space preservation, location of mixed land uses in close proximity to each other to facilitate alternative transportation modes, guidelines for architecture and landscaping, and guidelines regarding the extent of necessary utilities and public services infrastructure required to serve the Specific Plan Area.

4.14.2.4 Applicable State, Regional, and Local Land Use Plans and Policies Relevant to Population and Housing

Table 4.14-12 lists applicable state, regional, and local land use policies and regulations pertaining to population and housing that were adopted for the purpose of avoiding or mitigating an environmental effect and that are relevant to the proposed project. A general overview of these policy documents is presented in Section 4.14.2, *Regulatory Setting*, and Chapter 3, *Environmental Setting*. Also included in Table 4.14-12 is an analysis of project consistency with identified policies and regulations. Where the analysis concludes the proposed project would potentially conflict with the applicable policy or regulation, the reader is referred to Section 4.14.5, *Project-Specific Impacts and Mitigation Measures*, and Section 4.11, *Land Use and Planning*, for additional discussion.

Table 4.14-13. Preliminary Policy Consistency Evaluation

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
County of San Luis Obispo General Plan		
Housing Element		
Objective HE 1.00. Facilitate the development and preservation of housing units that are diverse in type, size, and ownership level to meet the needs of residents of varying lifestyles and income levels.	The intent of this policy is to develop and maintain a diverse supply of housing types.	Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site.
Policy HE 1.01. Support and prioritize new residential development in areas identified for strategic regional residential development and other areas that are (a) located along priority transportation corridors (i.e., highways identified by San Luis Obispo Council of Governments as priorities for regional infrastructure investments),	The intent of this policy is to prioritize new residential development in areas planned for strategic growth.	Potentially Consistent. The project site is located within the NCSD SOI, which identifies the probable future physical boundary and service area of a local agency or municipality. The Specific Plan Area is also located directly adjacent to areas within the existing Nipomo URL and NCSD service area.

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
<p>(b) located in or between areas with higher concentration of jobs and services, and (c) located within or in close proximity to existing urbanized areas or communities. This includes, but is not limited to, supporting and prioritizing the following in such areas:</p> <ul style="list-style-type: none"> • improvements to infrastructure and facilities; • reductions in infrastructure constraints for the development of housing to the extent possible; and • increases in the supply of land for residential uses. 	<p>The intent of this policy is to prioritize housing projects located within proximity to existing jobs and service centers.</p>	<p>Potentially Consistent. The project would locate new residential uses adjacent to areas within the existing Nipomo URL. While the community of Nipomo is generally a housing-rich community, the proposed residential land uses would be in proximity to existing jobs, services, schools, parks, and transportation infrastructure within the community of Nipomo and would contribute to these community resources through provision of 10 acres of public park facilities, location of education facilities on-site, provision of commercial retail uses on-site, and construction of various off-site roadway improvements.</p>
<p>Policy HE 1.04 Encourage proposed residential developments to provide safe and attractive living environments through incorporation of high-quality architectural design, materials, site planning, and site amenities.</p>	<p>The intent of this policy is to provide safe and attractive living environments.</p>	<p>Potentially Consistent. The DRSP includes design guidelines to guide the architectural and aesthetic design of residential neighborhoods to reflect the site's rural character. The project's internal roadways would be designed to meet the state standards for complete streets, with bicycle and pedestrian infrastructure and landscaping. Lastly, the DRSP includes pocket parks, pedestrian and equestrian trails, and a 10-acre public park that would contribute to the aesthetic appeal of the site and create an attractive living environment for residents on-site.</p>
<p>Policy HE 1.08 Encourage development of live-work units to provide housing for the workforce while generating economic activity.</p>	<p>The intent of this policy is to provide convenient workforce housing.</p>	<p>Potentially Consistent. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. One of the project's objectives is to provide workforce housing within the Specific Plan Area. In addition, future development of ADUs and JADUs would be allowed on-site, which would be affordable by design. The neighborhood designated for future development of affordable homes would be located adjacent to areas designated for commercial development, providing a convenient and accessible living option for on-site employees.</p>

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
<p>Objective HE 2.00. Facilitate the development and preservation of housing that is affordable to households of moderate-income or lower, households of workforce-income, and seniors.</p>	<p>The intent of this policy is to provide adequate housing opportunities for low-income and workforce-income households and seniors.</p>	<p>Potentially Consistent. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site, which can be a popular housing type for multi-generational households.</p>
<p>Framework for Planning (Inland)</p>		
<p>Principle 2. Policy 2 Avoid establishing or expanding Residential Rural and Residential Suburban areas outside urban or village reserve areas.</p>	<p>The intent of this policy is to discourage expansion of residential rural and residential suburban areas outside of urban or village areas.</p>	<p>Potentially Inconsistent. The project would include designation of Residential Single-Family and Residential Multi-Family land use zones within the Specific Plan Area. The Specific Plan Area is currently not located within the Nipomo URL.</p>
<p>Principle 2. Policy 3 Plan for most future development to be within existing and strategically planned cities and communities.</p>	<p>The intent of this policy is to prevent urban sprawl and focus new development within existing communities.</p>	<p>Potentially Consistent. The Specific Plan Area is generally surrounded by existing residential suburban and residential suburban development and is bounded by US 101 to the east. The project is located adjacent to the Nipomo URL and within the NCSD SOI, which designates areas of planned growth. The project would allow for the future development of residential, commercial, and open space land uses to serve the existing community of Nipomo and other nearby communities.</p>
<p>Principle 2. Policy 4 Create complete communities with appropriate areas for housing, commerce, civic uses, schools, recreation, and open spaces.</p>	<p>The intent of this policy is to encourage diverse land use mixes.</p>	<p>Potentially Consistent. The DRSP would allow for future development of residential, commercial, and open space uses. The DRSP would allow for the future development of a variety of housing types, including single-family residential uses, multi-family residential uses, affordable housing units, and ADUs. Anticipated individual commercial land uses may include a village center, flex commercial, a neighborhood barn, a hotel, a daycare center, and an educational/training campus. The DRSP also includes a 10-acre public neighborhood park and an approximately 1.01-acre equestrian trailhead and staging area within the Recreation land use category, as well as between 8.5 to 12 acres of publicly accessible but privately maintained pocket parks within residential neighborhoods.</p>
<p>Principle 2. Policy 6 Plan adequate and convenient areas within communities for employment and economic development near transit and residential areas.</p>	<p>The intent of this policy is to plan commercial development near transit and residential areas.</p>	<p>Potentially Consistent. The DRSP would allow for future development of residential, commercial, and open space uses. Anticipated individual commercial land uses may include a village center, flex commercial, a neighborhood barn, a hotel, a daycare center, and an educational/training campus. Public transit stops would be included in the Specific Plan Area to encourage transit use by DRSP residents, employees, and visitors.</p>

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
<p>Principle 6, Policy 1. Plan for most new housing to be within urban or village areas and close to jobs while protecting residential areas from incompatible uses.</p>	<p>The intent of this policy is to locate new housing near existing urban and village areas.</p>	<p>Potentially Consistent. The Specific Plan Area is also located directly adjacent to areas within the existing Nipomo URL and the NCSD service area.</p>
<p>Principle 6, Policy 2. Provide quality housing choices that are affordable to people with a variety of income levels.</p>	<p>The intent of this policy is to provide a housing supply with variety of price points.</p>	<p>Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site.</p>
<p>Principle 6, Policy 3. Provide a range of housing types within each neighborhood and avoid creating adverse concentrations of affordable units.</p>	<p>The intent of this policy is to create neighborhoods with varied housing types and affordability levels.</p>	<p>Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, with potential for future development of ADUs and JADUs as well. The DRSP would locate all deed-restricted affordable housing units within one neighborhood (Neighborhood 10). However, other affordable-by-design residential units, such as multi-family residences, ADUs, and JADUs, would be located throughout the Specific Plan Area. Clustering all the affordable units on one lot improves the opportunities for those units to be built by an affordable housing developer.</p>
<p>Principle 7 Encourage mixed land uses. Policy 1 Integrate residential units designed for affordability with non-residential uses in order to bring workplaces, commercial development, and homes closer together for workers, senior citizens, and others.</p>	<p>The intent of this policy is to integrate affordable housing with commercial uses.</p>	<p>Potentially Consistent. The DRSP would allow for the construction of a minimum of 75 affordable residential units on-site. These units would be located adjacent to village and flex commercial uses, including a hotel, educational/training facilities, and retail/light industrial uses.</p>
<p>Principle 8 Take advantage of compact building design. Policy 1 Develop compact neighborhoods that contain residential uses that are affordable-by-design and efficient in land and energy consumption.</p>	<p>The intent of this policy is to encourage compact residential neighborhoods.</p>	<p>Potentially Consistent. The DRSP would allow for the future development of multi-family residential neighborhoods, ADUs, and JADUs, which, based on their size, would be affordable by design and result in compact residential neighborhoods.</p>
<p>Principle 8 Take advantage of compact building design. Policy 2 Include public and private amenities with new development to enhance the livability of compact neighborhoods.</p>	<p>The intent of this policy is to provide convenient amenities with new development.</p>	<p>Potentially Consistent. The DRSP also includes a 10-acre public neighborhood park and an approximately 1.01-acre equestrian trailhead and staging area within the Recreation land use category, as well as between 8.5 to 12 acres of publicly accessible but privately maintained pocket parks within residential neighborhoods. In addition, Public transit stops would be included in the Specific Plan Area to encourage transit use by DRSP residents, employees, and visitors.</p>

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
Sustainable Communities Strategy		
<i>Housing Options and Affordability</i>		
3. Support residential development near existing employment centers. (Ongoing)	The intent of this policy is to focus residential development near existing employment centers.	Potentially Consistent. While Nipomo is a housing-rich community, Nipomo serves as a small commercial center between the cities of Arroyo Grande and Santa Maria. The project would develop residential uses near the existing community of Nipomo.
4. Support a mix of housing options in new residential developments. (Ongoing)	The intent of this policy is to maintain a housing supply with varied housing types.	Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site.
5. Support residential development that increases the region's supply of deed-restricted affordable housing, and supply of rental housing. (Near)	The intent of this policy is to ensure adequate provision of affordable housing and rental housing options.	Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site.
6. Support expanded housing options for people of all ages and incomes to increase mobility and lower the combined cost of housing and transportation. (Near)	The intent of this policy is to ensure adequate provision of housing options for households of varied ages and mobility.	Potentially Consistent. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site. The project includes development of pedestrian and bicycle facilities on-site, as well as development of on-site commercial retail and education uses, which would promote the use of alternative transportation modes.
7. Support residential development that allows jurisdictions to meet housing allocations established in the 2019 Regional Housing Needs Allocation Plan. (Near)	The intent of this policy is to meet housing allocations established in the 2019 Regional Housing Needs Allocation Plan.	Potentially Consistent. The project would result in the construction of additional housing units that would help the County reach its housing development allocation goals per the County's RHNA required by state law.

Goals, Policies, Plans, Programs and Standards	Intent of the Policy in Relation to Avoiding or Mitigating Significant Environmental Impacts	Preliminary Consistency Determination
<i>Economic Vitality & Jobs-Housing Balance</i>		
<p>31. Support the expansion of the region's supply of housing for renters, first-time home-buyers, and the broader workforce to maintain the vitality of regional economy, by supporting employee recruitment and retention, and new business formation. (Near)</p>	<p>The intent of this policy is to maintain the vitality of regional economy through provision of a variety of home ownership options.</p>	<p>Potentially Consistent. One of the goals of the DRSP is to support a variety of housing types to allow a range of opportunities for home ownership and rental options. The DRSP would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site.</p>
<i>San Luis Obispo Local Agency Formation Commission Policies and Procedures</i>		
General Policies		
<p>14. In any proposal, the impacts on affordable housing must be considered. The Commission will consider the impact of the creation of new jobs on affordable housing stock, not only in the jurisdiction to which the annexation is proposed, but also in neighboring jurisdictions. The agency to which the annexation is proposed should demonstrate to the Commission that the effects of the proposed project on affordable housing have been mitigated (CKH 56001).</p>	<p>The intent of this policy is to protect the region's affordable housing stock.</p>	<p>Potentially Consistent. The DRSP would result in the generation of 273 new full-time equivalent jobs and short-term construction employment opportunities. The project would allow for the future development of Residential Single-Family and Residential Multi-Family uses, a portion of which would be affordable homes consistent with the goals and policies of the Housing Element, the County's Inclusionary Housing Ordinance, and regional housing needs. In addition, future development of ADUs and JADUs would be allowed on-site. Based on their general small size, ADUs and JADUs are often affordable by design.</p>

4.14.3 Thresholds of Significance

The determinations of significance of project impacts are based on applicable policies, regulations, goals, and guidelines defined by CEQA and the County. Specifically, the project would be considered to have a significant effect on population and housing if the effects exceed the significance criteria described below:

- a. Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).
- b. Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere.

Each of these thresholds is discussed under Section 4.14.5, *Project-Specific Impacts and Mitigation Measures*, below.

4.14.4 Impact Assessment and Methodology

Sources utilized in the assessment of population and housing impacts include the County's Housing Element, the County's Framework for Planning (Inland), SLOCOG's 2050 Annual Growth Projections, U.S. Census Bureau data, and CDOF data. Socioeconomic and demographic information from these

sources is relatively consistent; however, because each of these sources use slightly different methods of data collection and analysis, data collected does not always have the same conclusions and may not represent the same data year. Accordingly, the population, housing, and employment numbers used in this analysis may vary somewhat, depending upon the source cited. Despite the variations, the data used represents the best available information and provides a meaningful description of the population and housing characteristics of Nipomo, unincorporated areas of the county, and the county as a whole.

Current household sizes in the community of Nipomo were utilized to determine the approximate residential population generated by the project. To determine a reasonable-case scenario for development of ADUs on-site, historical County ADU construction and ADU construction projections were evaluated. The estimated number of employees generated by each proposed nonresidential land use type was derived from Table 1A in the Southern California Association of Governments (SCAG) *Employment Density Study Summary Report* (SCAG 2001).

The analysis provided in this section evaluates potential land use changes and future development that would occur through buildout of the DRSP and considers whether these changes would result in substantial adverse impacts on local and/or regional population growth and housing, particularly in relation to existing conditions and to cumulative growth estimated in the County's Housing Element and 2050 Regional Growth Projections. Potential secondary direct and indirect impacts of population growth on resources such as transportation, public services, water supply, and other issues are addressed in respective sections of this EIR. Growth-inducing impacts related to construction of new roadways and utility infrastructure are addressed in *Chapter 6, Other CEQA Considerations*.

4.14.5 Project-Specific Impacts and Mitigation Measures

WOULD THE PROJECT INDUCE SUBSTANTIAL UNPLANNED POPULATION GROWTH IN AN AREA, EITHER DIRECTLY (FOR EXAMPLE, BY PROPOSING NEW HOMES AND BUSINESSES) OR INDIRECTLY (FOR EXAMPLE, THROUGH EXTENSION OF ROADS OR OTHER INFRASTRUCTURE)?

Specific Plan Area

PH Impact 1: The project would induce substantial unplanned population growth in the Nipomo area. Impacts would be significant and unavoidable (Class I).

The DRSP would allow for the future phased development of residential uses, village commercial uses, flex commercial uses (including light industrial uses), open space, trails, and a public neighborhood park within the 288-acre Specific Plan Area.

RESIDENTIAL POPULATION GENERATION

The project would allow for the future phased development of up to 831 single-family dwelling units, development of 458 multi-family dwelling units, and construction of ADUs. To determine a reasonable-case scenario for development of ADUs on-site, historical County ADU construction and ADU construction projections were evaluated. Since the approval of recent state ADU laws, construction and use of ADUs and JADUs on qualifying parcels are allowed in San Luis Obispo County through ministerial approval, meaning they are not subject to a discretionary review process and are statutorily exempt from CEQA. Although ADUs are statutorily exempt from CEQA, the DRSP project is not; therefore, the potential for ADUs and JADUs to be developed as part of the entitlements requested by the DRSP project has been included in this analysis.

The County’s Housing Element assumes that 185 ADUs will be constructed each year in the unincorporated county. This is based on five times the number of ADUs approved, under construction, or completed in 2019 and reflects an anticipated increase in ADU development within the county as the state continues to encourage this type of housing development. However, actual ADU development over the last 3 years has totaled 41 units, or just under 14 ADUs per year countywide. While actual ADU development may increase in future years (the number of applications, permits issued, and ADUs constructed has increased each year between 2019 and 2021), actual ADU development in the county (approximately 14 ADUs per year) is substantially less (7.5%) than the 185 ADU per year projection in the County’s Housing Element.

Based on 2020 U.S. Census data, the total number of housing units in the Nipomo CDP was 5,816 in 2020, representing roughly 13.2% of the estimated 44,033 housing units in the unincorporated county in 2020. If the proportionate amount of ADU development (13.2%) were to occur in the Nipomo area, the County’s Housing Element would assume development of approximately 25 ADUs in the Nipomo CDP area each year. If the proportionate amount of ADU development (13.2%) were to occur in the Nipomo area based on historic ADU development trends within unincorporated San Luis Obispo County, it would be assumed that the Nipomo CDP area would accommodate development of approximately 1.8 ADUs per year (13.2% of 14 ADUs per year).

Based on the County Housing Element’s conservative assumptions for ADU construction and the DRSP’s proportion of Nipomo’s housing stock, buildout of the DRSP could result in the construction of approximately 2.79 ADUs per year. Based on historical ADU construction rates, the project could result in the construction of 0.20 ADUs per year. For the purposes of this analysis, it was assumed that an average of approximately 1.52 ADUs would be constructed within the Specific Plan Area per year over the estimated 100-year lifespan of the project, resulting in the construction of 152 ADUs in total.

Based on the analysis above, the DRSP is anticipated to result in the future construction of 831 single-family dwelling units, 458 multi-family dwelling units, and 152 ADUs. According to the U.S. Census Bureau, the average household size in Nipomo between 2015 and 2019 was 3.16. In order to calculate a more conservative population estimate, the Nipomo average household size was used to calculate the project’s estimated residential population rather than rely on the countywide average household size of 2.51. Based on the average local household size in Nipomo, future buildout of DRSP residential land uses is anticipated to result in a residential population increase of approximately 4,555 (Table 4.14-13).

Table 4.14-14. Project Residential Population Generation

Land Use Type	Number of Dwelling Units	Nipomo Average Household Size ¹	Estimated Population Generated
Single-Family	831		2,626
Multi-Family	458	3.16	1,448
Accessory Dwelling Units	152		481
Total	1,441	--	4,555

¹ Source: U.S. Census Bureau (2019)

NONRESIDENTIAL POPULATION GENERATION

Buildout of the project over the course of the approximately 6-year construction period would result in the generation of jobs for construction workers. The duration and number of workers needed for each phase of development would vary; however, development of the DRSP is anticipated to create a notable amount of temporary job opportunities in the area. As shown in Table 4.14-5, construction workers consisted of

approximately 10.4% of the total unincorporated county workforce in 2017. Therefore, project construction jobs would be anticipated to be served by the local construction workforce.

In addition to proposed residential land uses, the DRSP would allow for the future phased development of village commercial and flex commercial uses, which would generate new jobs. The estimated number of employees associated with the project is provided in Table 4.14-14. The estimated number of employees generated by each proposed land use type was derived from Table 1A in the SCAG *Employment Density Study Summary Report*, where other retail/services was used as the corresponding land use for the proposed village commercial and flex commercial land uses, hotel/motel was used as the corresponding land use for the future proposed hotel land use, and government offices was used as the corresponding land use for the proposed educational facilities (SCAG 2001).

Table 4.14-15. Project Nonresidential Population Generation

Land Use Type	Potential Square Feet	Square Feet per Employee	Employees
Village Commercial Use	113,000	585	194
Flex Commercial Uses			
Hotel	60,000	1,804	34
Education	30,000	672	45
Total			273

Source: SCAG (2001), Table 1-A.

As shown in Table 4.14-14, the project would result in the generation of approximately 273 employees from buildout of proposed nonresidential DRSP land uses.

IMPACT ANALYSIS

Based on the analysis provided above, the project would result in the addition of approximately 4,555 new residents and would generate approximately 273 new jobs within the unincorporated community of Nipomo. The precise timing of development of proposed residential and commercial uses within the Specific Plan Area is not known at this time and would depend on market factors and the goals of individual developers. However, based on a market analysis prepared by the project applicant and project goals, and for purposes of this EIR analysis, it is anticipated that the primary residential uses and nonresidential land uses associated with the project would be built out over approximately 6 years. Based on the ministerial nature of ADU permit approval and development, it is anticipated that ADU development within the Specific Plan Area would occur over the project’s 100-year lifespan.

The addition of 273 new jobs within the project site is not anticipated to have a substantial effect on local population growth. The project would add 273 new jobs within the unincorporated community of Nipomo. Based on information provided in the South County Area Plan and the 2019 Regional Housing Needs Allocation Plan (see Table 4.14-10; SLOCOG 2019a), the community of Nipomo is a housing-rich community, with a majority of workers commuting to other localities for work. Therefore, new employment opportunities within Nipomo would be anticipated to be primarily filled by current residents within the community of Nipomo and/or future residents associated with the project.

Population growth is considered significant only if it is substantial and/or unplanned. The most recent population information for the unincorporated community of Nipomo reflects a population of 18,176 in 2020. Based on the 2050 Regional Growth Forecast for San Luis Obispo County, which reflects existing Nipomo planning documents, the community of Nipomo is anticipated to reach an estimated buildout population of 23,462 by the year 2060 (SLOCOG 2019b). In order to reach a buildout population of

23,462 by the year 2060, the community of Nipomo would need to gain an average of 1,321.5 people every 10 years, which would result in a population of approximately 19,498 by the year 2030. The project is anticipated to result in construction of 831 single-family residences, 458 multi-family dwelling units, and approximately 11 ADUs (assuming average of 1.52 ADUs constructed per year) between 2024 and 2029, resulting in a total population growth of approximately 4,108 residents. This would result in a total population of 22,284 in the unincorporated community of Nipomo by 2030, approximately 14.3% higher than the population projected for 2030 derived from buildout population projections.

The County's South County Area Plan includes an outline for future development of La Canada Ranch on the project site, which identified the following land uses in order of priority: open space uses, industrial park(s) retail uses, commercial retail uses, and residential areas. The prioritization of these land uses show that preservation of on-site oak woodlands and development of job-generating commercial and industrial uses were intended to be the primary focus of future development on-site for La Canada Ranch.

Proposed residential land uses encompass approximately 75% of the proposed Specific Plan Area, and commercial uses would encompass approximately 7.7% of the Specific Plan Area. In general, commercial and industrial uses generate less on-site population than residential land uses. While the project site was identified as an area that would experience planned population growth, the project would likely result in a higher on-site population than what was initially planned in the South County Area Plan. In addition, the content of the South County Area Plan was last updated in March 1994. Accordingly, the assumptions regarding future development of La Canada Ranch on the project site are considered outdated.

The population growth projections provided in the Nipomo Community Plan projected the population of Nipomo (within the URL) to reach 23,250 sometime after the year 2010; however, these projections were published in 1994 and are also considered outdated. The County's Housing Element provides a list of vacant parcels identified that may potentially be developed with housing to meet projected housing needs over the next 8 years. The Specific Plan Area consists of three parcels (APNs 091-301-030, 091-301-031, and 091-301-073), none of which are identified within the County's Housing Element as vacant parcels with potential to be developed with housing to meet the County's housing needs over the next 8 years.

The County's Housing Element identifies sufficient sites with the allowable land use designations and residential density allowances to accommodate the unincorporated county's share of regional housing development (3,256 new units) over the 2020 to 2028 planning period. Development trends between 2009 and 2019 indicate that the Nipomo Mesa area has accommodated between 24% and 45% of unincorporated countywide new dwelling construction per year (see Table 4.14-11; County of San Luis Obispo 2022). If the DRSP were to develop all 831 single-family residences, 458 multi-family dwelling units, and 11 ADUs (assuming average of 1.52 ADUs constructed per year) within the 7-year County Housing Element planning period, it would account for a total of 1,300 new dwelling units, representing 39.9% of total unincorporated county housing development. While this percentage falls within the historic range of the Nipomo Mesa's annual share of new housing development in the unincorporated areas of the county, there is little evidence in the County's Housing Element, South County Area Plan, or Nipomo Area Plan that reflects this degree of population growth for the Nipomo Mesa area. Therefore, implementation of the DRSP would result in substantial unplanned population growth through development of new residential dwelling units and would result in a potentially significant impact.

The potential effects of increased, unplanned population growth within the project site would be determined by a range of factors. One key factor would be the local jobs-to-housing balance. As discussed in Section 4.14.1.3, *Housing*, the South County Planning Area is characterized as a housing-rich area with a jobs-to-housing ratio of 0.66. This suggests that additional housing constructed in the South County Planning Area would result in an increase in residents commuting to a proximate community (such as the city of Santa Maria or the city of San Luis Obispo) for work.

The project would provide additional housing in the community of Nipomo, contributing to the unbalanced jobs-to-housing ratio. An imbalance between jobs and housing has the potential to result in a range of adverse environmental impacts, including:

- increased vehicle commute distances and time (VMT);
- increased energy consumption, GHG emissions, and air pollutant emissions from additional commuters; and
- indirect impacts on other communities that build housing, such as loss of habitat.

Buildout of the DRSP would result in substantial unplanned population growth in the unincorporated community of Nipomo and adversely affect the local jobs-to-housing ratio within the Inland South County Planning Area. However, the project would also result in the construction of additional housing units that would help the County reach its housing development allocation goals per the County RHNA required by state law. Based on an evaluation of the project objectives, no feasible mitigation has been identified that would reduce this significant impact. Therefore, potential impacts associated with substantial unplanned population growth would be *significant and unavoidable*.

PH Impact 1 (Class I)
The project would induce substantial unplanned population growth in the Nipomo area.
<i>Mitigation Measures</i>
<i>No feasible mitigation has been identified.</i>
<i>Residual Impacts</i>
<i>Potential impacts associated with substantial unplanned population growth would be significant and unavoidable (Class I).</i>

Off-Site Improvements

PH Impact 2: Off-site improvements would not result in substantial unplanned population growth. Impacts would be less than significant (Class III).

Buildout of the Specific Plan Area would require a number of off-site transportation, water, and wastewater system improvements to the existing road network and NCSO service systems. These improvements have not been designed and their precise location is not currently known. However, all off-site improvements are expected to occur within existing paved roadways, existing disturbed road shoulder areas within public ROW areas, and/or within existing NCSO facilities, such as the Southland WWTF.

An SOI identifies a plan for the probable future physical boundary and service area of a local agency or municipality. While the project would result in the establishment of extended and expanded water and wastewater system infrastructure, the project site is located within the NCSO SOI (NCSO 2018). In addition, the project site is currently bordered by the existing NCSO service area to the southeast and southwest. Therefore, extension of NCSO infrastructure to the project site would not be anticipated to remove a barrier to future unplanned development within the immediate project area. Expansion of existing NCSO infrastructure capacity and required transportation improvements would be designed to serve existing NCSO customers, the population induced by the project, and future planned population growth within the NCSO service area. Off-site infrastructure improvements would not remove a barrier to

future unplanned growth within the unincorporated community of Nipomo or Nipomo Mesa area. Therefore, impacts would be *less than significant*.

PH Impact 2 (Class III)
Off-site improvements would not result in substantial unplanned population growth.
Mitigation Measures
<i>Mitigation is not necessary.</i>
Residual Impacts
<i>Potential impacts associated with substantial unplanned population growth would be less than significant (Class III).</i>

WOULD THE PROJECT DISPLACE SUBSTANTIAL NUMBERS OF EXISTING PEOPLE OR HOUSING, NECESSITATING THE CONSTRUCTION OF REPLACEMENT HOUSING ELSEWHERE?

Specific Plan Area

PH Impact 3: The project would not displace existing people or housing. Impacts would be less than significant (Class III).

The Specific Plan area does not currently contain any existing residential structures or uses. The Specific Plan Area is largely undeveloped, with the exception of unpaved ranch roads traversing portions of the site. The Dana Ridge oak woodland mitigation property currently supports 200 acres of oak woodland and 120 acres of chaparral containing scattered oaks. Neither the Specific Plan area nor Dana Ridge support housing or an existing population; therefore, the project would not displace existing people or housing and impacts would be *less than significant*.

PH Impact 3 (Class III)
The project would not displace existing people or housing.
Mitigation Measures
<i>Mitigation is not necessary.</i>
Residual Impacts
<i>Potential impacts associated with displacement of people or housing would be considered less than significant (Class III).</i>

Off-Site Improvements

PH Impact 4: Off-site improvements would not displace existing people or housing. Impacts would be less than significant (Class III).

Anticipated off-site transportation, water, and wastewater system improvements are expected to occur within existing paved roadways, existing disturbed road shoulder areas within the public ROW, and/or

existing NCSO facilities, such as the WWTF. Off-site infrastructure improvements would not result in a displacement of people or existing housing; therefore, potential impacts would be *less than significant*.

PH Impact 4 (Class III)
Off-site improvements would not displace existing people or housing.
Mitigation Measures
<i>Mitigation is not necessary.</i>
Residual Impacts
<i>Potential impacts associated with displacement of people or housing would be considered less than significant (Class III).</i>

4.14.6 Cumulative Impacts

PH Impact 5: The project would result in a cumulatively considerable impact related to substantial and unplanned population growth. Impacts would be significant and unavoidable (Class I).

The cumulative context for population and housing growth includes the South County Planning Area and unincorporated San Luis Obispo County. As discussed above, the project would result in substantial population growth within the South County Planning Area that is not specifically projected or planned for in local or regional County planning documents and would result in the exceedance of projected population growth for the unincorporated community of Nipomo. The effects of the project would contribute to the overall development trends reflected in the Cumulative Development Scenario Project List (see Table 3-2 in Chapter 3, *Environmental Setting*). In particular, the project’s contribution of residential population growth in conjunction with residential development projects that have been approved, are currently in the review process, or will be applied for within the area would further exacerbate the rapid unplanned population growth within the vicinity of the project area. Potential impacts associated with substantial unplanned population growth are cumulative by nature, in that they are evaluated within the greater context of the region rather than impacts on the Specific Plan Area or local community of Nipomo. Therefore, the project’s cumulative impacts associated with substantial unplanned population growth would be *significant and unavoidable (Class I)*.

PH Impact 5 (Class I)
The project would result in a cumulatively considerable impact related to substantial and unplanned population growth.
Mitigation Measures
<i>No feasible mitigation has been identified.</i>
Residual Impacts
<i>Implementation of the project would result in substantial and unplanned population growth and no feasible mitigation has been identified to reduce impacts. Therefore, residual cumulative impacts would be significant and unavoidable (Class I).</i>