

4.10 POPULATION AND HOUSING

Development under the LOCP would introduce new housing, which will provide an important regional resource of affordable housing. Development will be consistent with Housing Element regional fair share housing goals, a potentially beneficial impact. Growth will be confined to the existing community, and infrastructure will be extended that could induce additional growth beyond the community. The draft LOCP envisions a somewhat more compact development pattern, with less buildout potential than under the existing Estero Area Plan. Impacts related to growth will be less than significant.

4.10.1 Setting

a. Physical Setting

Current Population and Housing. The unincorporated community of Los Osos is home to about 14,300 residents (2010 U.S. Census), most of whom live within the community’s designated Urban Reserve Line. As noted in Section 2.0, *Project Description*, however, the Los Osos Community Plan area is a subset of the Census-defined CDP, and has an existing population of 13,906 (San Luis Obispo County Department of Planning and Building, 2015). This smaller population figure will be used as the basis of analysis within this EIR. Overall, the community is a semi-urban enclave within a relative rural portion of San Luis Obispo County.

Los Osos is primarily residential in nature, and there are few head-of-household employment opportunities within the community. Population growth has been relatively flat since the early 1990s, primarily due to the fact that there had been a growth moratorium pending resolution of the long-standing need to provide community wastewater treatment service. With the recent approval and construction of the new wastewater facility, this constraint to future development within the community has been removed, and for that reason, the Los Osos Community Plan will be an important tool to guide that future growth. In order to new allow development on presently undeveloped parcels within the Los Osos Wastewater Project service area, the County is required to amend the Estero Area Plan to incorporate a sustainable buildout target that demonstrates there is sufficient water available to support such development without impacts to wetland and habitats (condition number 86 of CDP A-3-SLO-09-055/069).

In recent years, Los Osos has experienced very slow growth because of a variety of constraints that led to a growth moratorium. As identified in the County’s Housing Element, these include a limited water supply, the need for a communitywide sewer system, and needed improvements to the circulation system. Each of these has recently been, or is in the process of being addressed, so it is reasonable to believe that some degree of growth will likely resume in the near future. The proposed LOCP is, in fact,

an effort to provide a framework for resumed growth and development within Los Osos, in response to each of the constraints to growth being systematically addressed.

Employment. In 2014, the commercial sector in Los Osos was under-developed compared to nearby incorporated cities. Los Osos has businesses that provide retail and service uses to local residents, but it lacks major employers, large-scale manufacturing and industrial uses. The major employment industries for the Los Osos labor force reflect those for the county as a whole with educational services, health care and social services heading the list. Other key industries include retail trade, professional groups, and recreational services. About 73% of the 7,322 employed Los Osos residents work outside the community (Draft Community Plan, Table D-6). The Countywide average of workers that commute to other communities is about 62%, so Los Osos is a relatively “housing rich, jobs poor” community by comparison. This is consistent with the common observation that Los Osos functions as a “bedroom community”, where most workers are employed elsewhere, most notably in the City of San Luis Obispo.

b. Regulatory Setting. The following regulations set forth criteria and specific requirements to address population and housing issues.

Federal. There are no federal regulations that relate to population and housing issues.

State. The following discussion summarizes the key state regulations that relate to population and housing issues.

California Housing Element Law

State law requires each city and county to adopt a General Plan for future growth. This plan must include a Housing Element that identifies housing needs for all economic segments and provides opportunities for housing development to meet that need. At the state level, the Department of Housing and Community Development (HCD) estimates the relative share of California’s projected population growth that would occur in each county in the State, based on Department of Finance population projections and historic growth trends. Where there is a regional council of governments, HCD provides the regional housing need to the council. The council then assigns a share of the regional housing need to each of its cities and counties. The process of assigning shares provides cities and counties the opportunity to comment on the proposed allocations. HCD oversees the process to ensure that the council of governments distributes its share of the State’s projected housing need.

Each city and county must update its General Plan Housing Element on a regular basis (approximately every 5 years). Among other things, the Housing Element must incorporate policies and identify potential sites that would accommodate a city’s share of the regional housing need. Before adopting an update to its Housing Element, a city or county must submit the draft to HCD for review. HCD will advise

the local jurisdiction whether its Housing Element complies with the provisions of California Housing Element Law.

The councils of governments are required to assign regional housing shares to the cities and counties within their region on a similar 5-year schedule. At the beginning of each cycle, HCD provides population projections to the councils of governments, who then allocate shares to their cities and counties. The shares of regional need are allocated before the end of the cycle so that the cities and counties can amend their Housing Elements by the deadline.

The Regional Housing Needs Plan (RHNP) is required under California Government Code Section 65584 to enable regions to address housing issues and meet housing needs based on future growth projections for the area. The State of California determines the number of total housing units needed for each region. The allocation comes after projection modeling based on current General Plan policies and established land use zonings. The allocations are based on “smart growth” assumptions in the modeling and aim to shift development patterns from historical trends towards better jobs-to-housing balance, increased preservation of open space, and development of urban and transit-accessible areas. Regional housing needs are based on the local and regional distribution of income, the need for housing generated by local job growth, the projected growth in the number of households, and the vacancy rate in each community.

Local. County regulations pertaining to population and housing issues are described below.

General Plan Housing Element

The County of San Luis Obispo General Plan Housing Element 2014-2019 (adopted June 17, 2014) sets forth the County’s policies and detailed programs for meeting existing and future housing needs, for preserving and enhancing neighborhoods, and for increasing affordable housing opportunities for extremely low, very-low, low and moderate income persons and households. It is the primary policy guide for local decision-making on all housing matters. The Housing Element also describes the County’s demographic, economic and housing factors, as required by State law.

State housing law requires that each jurisdiction identify the number of housing units that will be built, rehabilitated, and preserved during the Housing Element’s planning period, which ends June 30, 2019. These projections are termed quantified objectives. Chapter 4 of the Housing Element includes goals, policies, and programs to accommodate affordable housing programs that meet the County’s quantified objectives.

HCD subsequently approved the Regional Housing Needs Plan (RHNP) as adopted by SLOCOG that designates 4,090 units for the San Luis Obispo County region. The assigned share of the regional housing

need for the unincorporated county is 1,347 new housing units for the period of January 1, 2014 to June 30, 2019. **Table 4.10-1** shows the breakdown of the assigned share by income group.

Income Category	Number of New Units	Percent
Very Low	336	25.0
Low	211	15.7
Moderate	237	17.6
Above Moderate	563	41.8
Total	1,347	100.0

Source: Regional Housing Needs Plan, adopted by SLOCOG, 2013

Adequate sites have been identified to accommodate the unincorporated County’s share of housing need by income level, as shown in Table 3.1 of the Housing Element. These are summarized in **Table 4.10-2**.

Income Category	Remaining Housing Need *	Potential Housing Units Based on Available Sites		
		in Los Osos	In other unincorporated communities	Total
Very Low and Low	407	404	277	681
Moderate	193	258	450	708
Above Moderate	505	238**	902**	1,140
Total	1,105	900	1,629	2,529

Source: SLO County Housing Element 2014-19, Tables 3.1, 3.3, 3.5, 3.6, and 3.7.
** As shown in Table 3.3 of the Housing Element, which accounts for housing already approved that would count against the total RHNA target numbers summarized in Table 4.10-1.*
*** No housing unit estimates are established for Above Moderate Income by community in the Housing Element. There are 12 RSF parcels totaling 34.1 acres identified in Los Osos. Based on the Housing Element assumption of 7 du/acre, this suggests 238 units in Los Osos, and 902 in other unincorporated areas.*

General Plan Housing Element Objective 2 is intended to accommodate affordable housing production that helps meet the County’s quantified objectives.

As indicated in **Table 4.10-2**, development in Los Osos is a very important component of achieving Countywide affordable housing goals, accounting for 60% of all very low and low-income housing potential in unincorporated areas. By itself, Los Osos could nearly provide all needed affordable housing Countywide (404 units out of 407 required). Conversely, without new housing in Los Osos, it will not be

possible to achieve the Countywide 2019 target of 407 new very low and low-income housing units, since the remainder of the County would only be able to supply 277 units.

This information is analyzed in more detail below:

- *Countywide Affordable Housing Need.* Table 3.3 of the Housing Element identifies a countywide remaining housing need through 2019 of 1,105 units (for all income levels) in unincorporated communities, including Los Osos (the others include San Miguel, Nipomo, Templeton, Avila Beach, Cayucos and Cambria). Of this total, 407 would be for low and very low-income households.
- *Vacant and Underutilized Parcels for Low Income Housing.* Table 3.5 of the Housing Element identifies three vacant Residential Multi-Family (RMF) parcels in Los Osos totaling 13.35 acres, which are projected to realistically accommodate up to 241 affordable housing units. Table 3.6 of the Housing Element identifies six underutilized Residential Multi-Family (RMF) parcels in Los Osos totaling 10.23 acres, which are projected to realistically accommodate up to an additional 163 affordable housing units. This number includes intensification of existing development on four parcels, and replacement of existing substandard development on two parcels. When vacant and underutilized parcels are considered together, there is the opportunity for up to 404 affordable housing units in Los Osos, based on the analysis included in the Housing Element. This is a substantial proportion (60%) of the 681 units that could potentially be built countywide, so future development in Los Osos will be crucial to meet countywide affordable housing goals.
- *Vacant and Underutilized Parcels for Moderate Income Housing.* Table 3.7 of the Housing Element identifies five vacant Residential Multi-Family (RMF) parcels in Los Osos totaling 25.8 acres, which are projected to realistically accommodate up to 258 moderate income housing units. This is 36% of the countywide total projection of 708 units in unincorporated areas.

The following additional provisions of the Housing Element relate to the Los Osos community:

- *Population Projection.* The Housing Element projects a buildout population of 21,304, which is based on existing land use designations included in the Estero Area Plan. At the same time, it still envisions slow growth into the foreseeable future, projecting a 2040 population of 14,409, which is only a 3% increase over the existing population, reported in the Housing Element as 13,988 (Chapter 6, Appendix F).
- *Housing Condition.* There are more substandard housing units in Los Osos than any other unincorporated community in the County. In 2014, there were 49 dilapidated or deteriorated homes in the community, compared to 28 in Nipomo, 41 in Oceano, 35 in San Miguel and 14 in Templeton (Table 5.15, Housing Element).

The Housing Element includes the following policy and program, which relate to the need for a new sewer system to allow new housing in the community:

- *Policy HE 1.12: Reduce infrastructure constraints for development of housing to the extent possible. Infrastructure such as sewage disposal systems, water systems, and roads are necessary to support new housing.*
- *Program HE 1.K: Construct a community sewer system in Los Osos.*

Estero Area Plan

The following provisions of the Estero Area Plan apply to achieving goals related to population, housing and employment as they relate to Los Osos.

Chapter 2. Economy and Population

I.C. Economy, Goals and Policies

Goals For Entire Planning Area

- 1. Encourage economic development that will generate local employment for residents, create an adequate supply of goods and services locally, help generate revenues to fund needed public services and facilities, and make the area more economically self-sufficient.*
- 2. Provide sufficient areas for a variety of commercial, tourist-serving and employment-generating businesses to provide jobs for residents, generate local business activity, increase taxable sales and reduce loss of such sales to other areas, and increase transient occupancy and property tax revenues*
- 4. Take advantage of the planning area's scenic beauty and recreational attractions to expand tourist and visitor-serving development where appropriate such as a golf course; small-scale resort/retreat; visitor accommodations; bicycle, hiking and equestrian trails; and low-cost recreation.*
- 5. Promote both visitor-serving development and development that serves local residents, while maintaining the small-town, rural character of the area's communities.*
- 6. Improve commercial areas by making them more attractive and pedestrian friendly in order to attract shoppers and businesses and increase economic and general activity.*

Also note that the proposed Los Osos Community Plan is a regulatory document that is intended to expand upon the policy framework described above. Because this is not an existing document, but the subject of the EIR analysis, it is not included in the existing Regulatory Setting. However, its policies are analyzed in the Impact Analysis section relative to their adequacy to provide a sufficient regulatory framework to encourage population and housing goals, when considered in combination with the existing regulations described above.

Los Osos Building Moratorium

On January 8, 1988 the California Regional Water Quality Control Board (RWQCB) imposed a moratorium on current discharges, new sources of sewage discharge and increases in the volume of existing sources in Los Osos. The moratorium was imposed through the provisions of a Memorandum of Understanding executed between the County and the RWQCB in December 1978, and imposes a variety of responsibilities on the County. In general, it applies to a “prohibition area” that encompasses the majority of the community, with the exception of most of the area east of South Bay Boulevard north of Los Osos Valley Road, and a few other smaller areas that are subject to specific restrictions under the order (notably the Martin Tract and Bayview Heights).

The primary effect of the moratorium is that no permits may be issued for new on-site sewage disposal systems (commonly called “septic” systems) within the prohibition area. The County is also prohibited from issuing permits for expansion of the capacities of any existing systems, which means not permitting any additional building areas (bedrooms) that would increase the amount of discharge.

With the completion of the new communitywide sewer system, this moratorium would be lifted. However, new development cannot be served by the new communitywide sewer system until the Community Plan is adopted and includes a sustainable buildout, and indicates that there is water available to support such development without significant impacts to wetlands and other sensitive habitat, based on the direction provided in the community-wide Habitat Conservation Plan for long-term preservation of sensitive habitats. Growth and development could resume in accordance with the Estero Area Plan, as modified by the proposed LOCP.

4.10.2 Impact Analysis

a. Methodology and Significance Thresholds.

Methodology. The analysis is based on a programmatic evaluation of the potential for future development under the LOCP to cause adverse impacts related to population and housing, based on the proposed project’s compliance with existing regulations that address the issue.

Significance Thresholds. In accordance with Appendix G of the State CEQA Guidelines, impacts would be significant if development under the Community Plan would result in any of the following:

- *Induce substantial 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);*

- *Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; (Refer to Section 1.5, Effects Found not to be Significant)*
- *Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere. (Refer to Section 1.5, Effects Found not to be Significant)*

Although not thresholds identified in Appendix G of the CEQA Guidelines, or formally adopted by the County, the following additional thresholds are evaluated in this document as relevant to the overall discussion of population and housing in the context of a Community Plan:

- *Would the project impede the attainment of adopted housing-related goals, especially those related to affordable housing?*
- *Would the project adversely contribute to a regional imbalance of jobs and housing such that it would impede the attainment of goals related to such a balance, including air quality and traffic?*

b. Impacts and Mitigation Measures.

Threshold: *Would actions under the Community Plan induce substantial 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)?*

Impact PH-1 Residential development and associated population growth resulting from future development under the LOCP would not exceed the community's capacity to handle that growth, nor would it induce unanticipated growth because of the extension of public infrastructure or roadways. This is a Less than Significant (Class III) impact.

The Los Osos Community Plan Area encompasses roughly 3,469 acres, and includes the anticipated 20-year growth boundary (URL). This area also encompasses the proposed Urban Services Line (USL). **Figures 2-2 and 2-3** in EIR Section 2.0, *Project Description*, show the existing and proposed URL and USL.

There are no expansion areas planned outside the URL. Although no expansion is anticipated, there are areas within the URL where special planning area standards will apply, which are intended to guide and facilitate future growth in these areas, which are described in detail in the *Project Description*. Within these areas, most existing land use designations will remain the same as they currently are. In some cases, minor land used designation changes are contemplated. In general, however, future growth will be a function of developing on currently vacant parcels.

There are no parcels within the plan area that would be converted from Open Space to any urban land use, with the exception of the following:

- four parcels totaling 3.81-acres parcel west of 3rd Street between Pismo and El Moro Avenues will be redesignated from Open Space (OS) to Recreation (REC);
- a 0.19-acre parcel that contains a LOCSD well site, west of 3rd Street near El Moro Avenue will be redesignated from Open Space (OS) to Public Facility (PF).

In each case, the change is intended to reflect an existing logical development pattern rather than to facilitate new or unplanned growth. Both are infill sites surrounded by existing urban development, and neither is growth-inducing.

There are no parcels designated for Agriculture (AG) within the plan area, so there is no potential for the conversion of agriculture to urban use that might otherwise be growth-inducing.

No new arterial roadways would be built, and existing roadways would be improved only to the extent necessary to accommodate planned development, or to correct existing deficiencies (see Section 5.12 for further analysis of this issue).

The new community sewer system and groundwater basin improvements will remove an existing obstacle to growth, but will not induce growth beyond what is planned under the LOCP. The new community sewer system has been sized to accommodate growth within the USL, and is not intended to extend service beyond the USL (Final EIR, County of San Luis Obispo Wastewater Project, 2009).

In summary, the LOCP is intended to focus on urban infill, and will convert substantial areas currently designated for urban use to Open Space under the existing Estero Area Plan. There are no expansion areas, and no lands currently designated as Open Space or Agriculture will be converted to urban use. The LOCP plans for orderly growth, and future development and infrastructure improvements are not considered growth-inducing.

Proposed LOCP Policies to Address Potential Impacts. The primary objective of the proposed Los Osos Community Plan is to establish a framework for the orderly growth and development of Los Osos. Additionally, the plan is intended to be consistent with strategic growth principles and other land use policies established in the County General Plan. Thus, development under the plan is inherently intended to be consistent with adopted growth management goals.

This overall objective is further articulated in Chapter 2 of the draft Community Plan through a series of Community Goals, which are intended to implement the community’s vision. These are stated below, following the Community Vision from which they are derived:

Los Osos Community Vision. *All land use policies and plans should be based on sustainable development that meets the needs of current population and visitors without endangering the ability of future population to meet its needs or drawing upon the water of others to sustain community livelihood.*

1. Environment

- a. *Protect and enhance the Morro Bay Estuary so that it is a clean, healthy, functioning ecosystem that harbors a diversity of wildlife.*
- b. *Promote conservation of natural environment through preservation of the existing flora, fauna, and sensitive habitats.*
- c. *Protect, maintain, enhance, and expand the existing greenbelt.*

2. Economy. *Improve and diversify the local economy by providing more opportunity for local businesses and head of household jobs.*

3. Air Quality. *Minimize the amount and length of automobile trips through planning decisions and land use practices.*

4. Population Growth. *Establish a maximum rate of growth within the Los Osos Urban Reserve Line, consistent with available resources, services and infrastructure.*

5. Distribution of Land Uses, Location and Timing of Urban Development. *Focus on infill and mixed use development consistent with the County’s Strategic Growth Policies and Framework for Planning.*

6. Residential, Commercial and Industrial Land Uses

- a. *Maintain a small-town atmosphere.*
- b. *Provide zoning that enables businesses to expand and remain in the community, and establish incentives to encourage good design of commercial development.*

7. Visitor-Serving, Recreation and Industrial Land Uses

- a. *Encourage improvement of tourist-oriented facilities, with an emphasis on eco-tourism.*
- b. *Develop additional neighborhood and community parks and recreation facilities for existing and future populations.*

- c. *Provide maximum public access, and protect existing public access, to the coast, the shoreline, the bay, and public recreation areas, consistent with the need to protect natural and agricultural resources and private property rights.*

8. Public Services and Facilities

- a. *Base all land use policies and plans on sustainable development that meets the needs of current population and visitors without endangering the ability of future population to meet its needs.*
- b. *Carefully manage water resources to provide a clean, sustainable resource for the community.*
- c. *Provide needed local services, such as urgent care facilities, senior care facilities, etc.*

9. Circulation

- a. *Establish an efficient circulation system and pattern of land uses that minimize the number of automobile trips.*
- b. *Encourage alternatives to single-occupant and automobile travel, such as pedestrian and bicycle travel, transit, carpooling, and telecommuting.*
- c. *Complete and pave the community’s grid system where feasible.*

- 10. **Implementation and Administration.** *Promote a high level of community participation and voice in land use planning decisions.*

Community goals 2, 4, 5, and 9 are particularly relevant to issues related to population, housing growth management, and how these relate in the context of jobs and the overall economy.

The LOCP also summarizes the following policies (**Table 4.10-3**) from other applicable County regulatory documents, which are incorporated into the LOCP by reference.

Table 4.10-3. County Policies Concerning Population and Growth, as Summarized in the LOCP	
<i>Coastal Zone Framework for Planning</i>	
Strategic Growth Goal 2	Strengthen and direct development toward existing and strategically planned communities.
<i>Coastal Plan Policies</i>	
Agriculture Policy 5	To minimize conflicts between agricultural and urban land uses, the Urban Service Line shall be designated the urban-rural boundary. Land divisions or development requiring new service extensions beyond this boundary shall not be approved.
Public Works Policy 1	New development shall demonstrate that adequate public or private service capacities are available to serve the proposed development.

Table 4.10-3. County Policies Concerning Population and Growth, as Summarized in the LOCP	
Public Works Policy 2	New or expanded public works facilities shall be designed to accommodate but not exceed the needs generated by projected development within the designated Urban Reserve Lines.
Public Works Policy 6	The County will implement the Resource Management System to consider where the necessary resources exist or can be readily developed to support new land uses.
Estero Area Plan	
Chapter 3, II.A.1	Monitor water demand through the Resource Management System to assure that new development can be supported by available water supplies without depleting groundwater supplies and/or degrading water quality.
Chapter 3, II.B	Monitor sewage flows through the Resource Management System to assure that new development can be accommodated by sewage disposal capacities.
Conservation and Open Space Element	
Policy AQ 1.1	Encourage compact land development by concentrating new growth within existing communities and ensuring complete services to meet local needs.
Policy OS 1.7	Protect open space resources by guiding development away from rural areas to more suitable areas.
Economic Element	
Policy EE 1.2	Maintain and enhance the quality of life for county residents by pursuing economic development activities.
Policy EE 1.3	Balance the capacity for growth with the efficient use or reuse of available resources (energy, land, water, infrastructure) and reasonable acquisition of new resources.

These policies and standards address a variety of growth-related issues throughout the community. Most crucially, the following policy is included in Chapter 7 of the LOCP as a Planning Area Standard, which ties future growth to water availability in the Los Osos Groundwater Basin:

D. Los Osos Groundwater Basin.

1. Basin Plan compliance. Development of land uses that use water from the Los Osos Groundwater Basin shall be prohibited until the Board of Supervisors determines that successful completion and implementation of specific programs identified in the Los Osos Basin Plan (“Basin Plan”) have occurred. The following programs from the Basin Plan must be successfully completed and implemented to address existing resource constraints prior to development of new dwelling units or commercial uses:

- a. Program “M” – Groundwater Monitoring
- b. Program “E” – Urban Efficiency
- c. Program “U” – Urban Water Reinvestment
- d. Program “A” – Infrastructure Program A
- e. Program “P” – Wellhead Protection
- f. At least one of the following additional programs:
 - Program “B” – Infrastructure Program B
 - Program “C” – Infrastructure Program C
 - Program “S” – Supplemental Water Program

2. Amendments to Title 26. Development of new dwelling units that use water from the Los Osos Groundwater basin shall be prohibited until 1) a growth limitation for the Los Osos Groundwater Basin is established in Section 26.01.070.k of the Growth Management Ordinance to reflect current basin conditions and the successful completion of the programs identified in the Basin Plan and 2) the Board of Supervisors determines that the specific programs identified in the Basin Plan and required by these standards as a prerequisite for additional development have been successfully completed and implemented and are effective, as follows:

- a. The Basin Plan program(s) shall be completed to the satisfaction of the Director of Public Works, in consultation with the Los Osos Groundwater Basin Watermaster.
- b. As part of the review for Basin Plan effectiveness, the County shall consider data collected as part of the Groundwater Monitoring program (Program “M”). If the data indicate that completed programs have not been effective in reducing groundwater demand, increasing the perennial safe yield or facilitating seawater retreat as predicted in the Basin Plan, then the development of new residential units shall be limited accordingly.
- c. As part of the review for Basin Plan effectiveness, the Board of Supervisors shall consider trends in commercial development and commercial water demand to ensure that such demand is not growing beyond a proportional relationship with the community’s population.

3. Growth limitation standards. Development of new residential units that use water from the Los Osos Groundwater Basin shall be prohibited until successful implementation of all programs identified in Subsection D.1. Once this has been achieved, Section 26.01.070.k of the Growth Management Ordinance may be modified to allow development of new residential units as follows:

- a. Implementation of one additional program.

(i) *Implementation of Program “B”.* Upon successful implementation of Program “B,” an additional 1,230 residential units may be constructed within the Los Osos Groundwater Basin.

(ii) *Implementation of Program “C”.* Upon successful implementation of Program “C,” an additional 680 residential units may be constructed within the Los Osos Groundwater Basin.

(iii) *Implementation of Program “S”.* Upon successful implementation of Program “S,” assuming groundwater desalination producing 250 acre feet per year, 550 residential units may be constructed within the Los Osos Groundwater Basin.

b. Implementation of more than one additional program. In the event that more than one additional Basin Plan program is pursued, additional residential dwelling units may be constructed within the Los Osos Basin. The number of additional units allowed shall be as indicated in the following table, which are in addition to those indicated in Subsection 3a:

Previously Implemented Program	New Program(s) to be Completed	Additional Dwelling Units
<i>B</i>	<i>C</i>	560
	<i>C + D</i>	1,030
	<i>C + S</i>	1,550
	<i>C + D + G</i>	3,020
	<i>C + D + S</i>	2,020
<i>C</i>	<i>B</i>	1,110
	<i>B + D</i>	1,580
	<i>B + S</i>	2,100
	<i>B + D + G</i>	3,570
	<i>B + D + S</i>	2,570
<i>S (250 AFY)</i>	<i>Additional S (+500 AFY = 750 AFY)</i>	1,590
	<i>B + C</i>	2,230
	<i>B + C + D</i>	2,700
	<i>B + C + G</i>	3,620

4. Exemptions. All development approved (pursuant to land use permits or entitlements) prior to the effective date of this standard that complies with Title 19 retrofit requirements shall be exempt from the provisions of these standards in Subsections D.1, 2 and 3.

In the aggregate, particularly the one described above related to growth management and Basin Plan compliance, build on the existing state and County regulatory framework, and when applied to new development, will ensure orderly planned growth within the community. Collectively, they provide a

high level of programmatic protection, and serve as a clear basis for limiting growth inducement when applied to future development through the entitlement process associated with that development. Impacts are therefore considered to be less than significant (Class III).

Mitigation Measures. No mitigation measures are required, because impacts are less than significant.

Threshold: Would actions under the Community Plan impede the attainment of adopted housing-related goals, especially those related to affordable housing?

Impact PH-2 Future development under the LOCP would provide substantial opportunities for affordable housing, which will be necessary in order to meet Countywide Housing Element goals related to this issue. This is a Class IV, beneficial impact.

Development under the LOCP could result in an additional 1,861 residential units, for a total of 8,182 residential units in the Study Area within the 20-year plan horizon (by 2035). **Table 4.10-4** shows existing and potential residential development and population within the planning area based on the proposed land use designations under the Los Osos Community Plan.

Table 4.10-4. Residential and Population Buildout Summary			
	Existing¹	Buildout Capacity³	Potential Increase
Dwelling Units²			
<i>Single-Family</i>	5,426	6,487	1,061
<i>Multi-Family</i>	895	1,695	800
Total Dwelling Units	6,321	8,182	1,861
Population⁴	13,906	18,000	3,444
¹ County of San Luis Obispo Department of Planning and Building, based on subset of 2010 Census for Los Osos CDP ² All dwellings in all land use categories ³ Based on County of San Luis Obispo Department of Planning and Building projections summarized in Table 2-2. All projected residential within RSF, RS and RR categories assumed to be single-family. All projected residential within non-residential categories assumed to be multi-family. Morro Shores Mixed Use assumed to include 265 multi-family and 100 single-family homes. ⁴ Based on 2.2 persons per household, consistent with the 2010 U.S. Census			

Buildout within the community would result in a potential population of 18,000, which is based on a potential capacity of 8,182 dwelling units. This is a 30% increase over the existing population and number of households currently in the planning area. New residential development under the LOCP

would be more heavily multi-family oriented than the current mix of development, which is now about 85% single-family residential. New development potential would be about 75% single-family, resulting in an overall mix of 79% single-family communitywide at buildout.

The RHNA for 2014 to 2019 planning period identified a Countywide need of 547 affordable dwelling units to low and very low-income households to be built within unincorporated areas. Even after considering approved projects, there remains a need for 407 affordable units. The existing Estero Area Plan would potentially provide sites for up to 404 affordable units within Los Osos alone, which is 60% of the potential affordable housing development in unincorporated areas (**Table 4.10-2**). Thus, future development in Los Osos is imperative for realizing the County's affordable housing goals, which underscores the importance for completing the community sewer system, bringing the groundwater basin into a sustainable state, and implementing a Habitat Conservation Plan.

The LOCP provides slightly fewer affordable housing opportunities than the existing Estero Area Plan, because it includes less Residential Multi-Family (RMF) designated land. In all, there would be 104 acres of RMF land as compared to 135 under the current plan. This 31-acre net decrease, however, would be largely offset by the proposed Morro Shores Mixed Use project, which includes a variety of housing and commercial opportunities within its 63 acres. In all, there would be the capacity for 1,695 multi-family dwellings under the LOCP, or 800 more multi-family units than currently exist (**Table 4.10-4**). All of the affordable housing sites identified under the Housing Element would be retained under the LOCP.

Therefore, adequate sites have been identified to accommodate the unincorporated County's share of housing need by income level, as shown in Table 3.1 of the Housing Element, and summarized in **Table 4.10-2**.

Such housing would benefit very low, low and moderate-income households by providing options to reduce overpayment for rent, potentially reduce overcrowding and provide options to avoid rental of substandard housing. Therefore, Project impacts to affordable housing supply would be considered **beneficial (Class IV)**.

Proposed LOCP Policies to Address Potential Impacts. No additional LOCP policies are applicable beyond those described under Impact PH-1.

Mitigation Measures. No mitigation measures are required, because impacts are considered beneficial.

Threshold: Would actions under the Community Plan adversely contribute to a regional imbalance of jobs and housing such that it would impede the attainment of goals related to such a balance, including air quality and traffic?

Impact PH-3 The project will likely exacerbate an existing jobs-housing imbalance that exists in the Los Osos community. While potentially adverse, this is not considered a significant impact (Class III) because the community is not intended to function as a jobs center in the County, based on goals included in the Housing Element, Estero Area Plan and proposed LOCP.

One common growth-related measure intended to minimize traffic and air quality impacts, and to provide orderly development in general, is the concept of balancing jobs and housing. The balance of jobs and housing is measured by comparing the ratio of jobs to employed residents. This jobs-to-employed-residents ratio (J/ER) is calculated by dividing the number of jobs by the number of workers living in a community. One difficulty in that approach is that many people do not live and work in the same community, often as a matter of choice. The County has not adopted a target “jobs/housing balance” for the County or any community within the County. However, SLOCOG has identified that overall, the existing jobs-to-employment residents ratio (J/ER) is 0.83 Countywide, which would suggest that this is the “balanced” state for the County (SLOCOG, Regional Housing Needs Assessment, 2013). The current J/ER ratio in Los Osos is about 0.21 (Estero Area Plan, 2009), which suggests that the community has a relatively high proportion of housing opportunities compared to jobs.

A common perception is that an “unbalanced” community can increase traffic congestion, pollution and energy use. It also may indicate that the local economy may be losing sales tax revenues to other communities, signaling a weakness in the local economy. However, it should be recognized that the J/ER ratio is highly theoretical. What it really indicates is whether there are sufficient opportunities for residents to be employed in the community where they live. In reality, though, residents may actually work in other communities for a variety of reasons. Therefore, it is possible for a community to have a “balanced” J/ER ratio (in the case of the County, of 0.83), for example, yet have a much lower ratio considering the proportion of local resident workers that actually work within the community.

Many people choose to live in Los Osos *because* it is not a job center, and because of its more quiet semi-rural lifestyle. This is recognized in both the Estero Area Plan and the draft LOCP. Therefore, although a jobs/housing imbalance is conceptually a concern, the theoretical attainment of a balance by encouraging the rezone of properties is not a realistic solution, and is potentially adverse from an environmental perspective, because of the potential to induce growth and impact a variety of natural resources through that growth. Such a “top down” approach to addressing the issue also does not recognize market realities. Commercial development not only needs available land, but a clear basis

from an economic perspective. The City of San Luis Obispo’s central location within the County, for example, is a major reason why that community is so attractive to regional employers. Los Osos, on the other hand, does not have the same locational advantages, and is not near a major regional highway. It will always function to some extent as a bedroom community, and current plans wisely recognize this for its attractive qualities.

For these reasons, impacts related to jobs/housing balance are considered potentially adverse, but less than significant (Class III).

Mitigation Measures. No mitigation measures are required, because impacts are less than significant.

c. Cumulative Impacts. The project-specific analysis evaluated potential communitywide impacts under the LOCP. For this issue, project-specific impacts are considered the same as cumulative impacts. Cumulative impacts would be **Class III, less than significant**.

d. Subsequent Environmental Review for Future Development Projects in the Community Plan Area. Pursuant to CEQA Guidelines Section 15183, additional CEQA review is not required for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. **Table 4.10-5** describes conditions under which future development in the study area would require additional CEQA review, pursuant to Section 15183.

Table 4.10-5. Conditions Under Which Future Development in the Community Plan Area Would Require Additional CEQA Review	
Condition	Impact to Address
<i>The future project is inconsistent with underlying General Plan and zoning designations.</i>	PH-1 through PH-3
<i>The future project is inconsistent with Community Plan policies or adopted growth management regulations.</i>	PH-1 through PH-3
<i>The future project would result in an impact peculiar to the project or parcel in any issue area. An effect is not considered peculiar if uniformly applied development policies or standards previously adopted by the County would substantially mitigate the environmental effect.</i>	Impact that is peculiar to the project or parcel
<i>The future project would result in an impact or impacts not analyzed above, including off-site or cumulative effects.</i>	Impact other than PH-1 through PH-3
<i>The future project would result in an impact or</i>	Worsened PH-1 through PH-3, as applicable

Table 4.10-5. Conditions Under Which Future Development in the Community Plan Area Would Require Additional CEQA Review	
Condition	Impact to Address
<i>impacts analyzed above, but at a higher level of severity as a result of substantial new information not known at the time the EIR was certified.</i>	