



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Director of Community Development

BY: Andrew Perez, Planning Manager

SUBJECT: Adoption of a Land Use Scenario for the General Plan Update

DATE: April 8, 2025

RECOMMENDATION:

- 1) Adopt a preferred land use scenario for the General Plan Update, or a hybrid thereof; and
- 2) Find that the adoption of a land use scenario is not a project subject to the California Environmental Quality Act ("CEQA") because adoption has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060 (c)(2) and (3), 15378.).

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

The financial and personnel impacts associated with the recommendation of a preferred land use scenario are included in the budget for the comprehensive General Plan Update.

BACKGROUND:

Adopting a preferred land use scenario for the General Plan Update represents the conclusion of the project's fifth phase. The previous phase resulted in the selection of a [vision statement](#)¹ and guiding principles for the project. The preferred land use scenario, along with community input and the City's Vision Statement and Guiding Principles (prepared during Phase 4), will then guide the rest of the General Plan Update, including policy and program development and environmental analysis.

At this critical phase of the project, there were extensive outreach efforts to obtain community input. An online mapping exercise was made available in October and November 2024. Respondents were asked to identify areas, or specific sites, within the City where land use changes are appropriate and areas where growth should, or should not, occur. Specifically, the mapping exercise asked the community to identify their

¹ https://planarroyogrande.com/images/AGGPU_V-GP_V1_ENGLISH%20AND%20SPANISH_2024%2008%2016%20MG.pdf

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preferred land use for three focus areas that were identified through previous public outreach efforts. Those three focus areas are the E. Grand Avenue corridor, the North Fair Oaks agricultural parcels, and the Fredrick's property. Changes could include increases in residential density, changes in land uses (residential, commercial, institutional, etc.), or development intensity.

Postcards were mailed to every postal customer in the city to publicize and encourage participation in the survey. Community members who signed up to receive notifications (approximately 320) about the project were also sent an email about the survey. Additionally, staff was present at the Soto Sports Complex on Saturday, November 9, 2024, during the AYSO Tournament to educate residents about the survey and project in general. Finally, the City's social media accounts also posted about the survey.

Feedback from these outreach efforts directly informed the development of four land use scenarios for consideration by the community, Planning Commission, and City Council:

- Scenario 1: Existing General Plan
- Scenario 2: Infill Focus
- Scenario 3: Residential and Complimentary Uses Focus; and
- Scenario 4: Commercial Focused Approach.

ANALYSIS OF ISSUES:

The City Council is being asked to adopt a preferred land use scenario based on the scenarios described in this staff report and the [Land Use Scenarios Memorandum](#)² (Attachment 1), public comment, and the Planning Commission's recommendation. The preferred land use scenario may be one of the four scenarios presented or a hybrid scenario that pulls select features from the various land use scenarios. The preferred land use scenario can be thought of as the City's preferred land use and growth strategy for the duration of the General Plan. It will be used to establish a new land use map and assign a land use designation for every parcel within city boundaries. This designation identifies the type, intensity, and general distribution of uses of land for housing, business, industry, open space, education, public facilities, and other categories of public and private uses. The map becomes the general framework and road map to allow the drafting of the various policy elements of the General Plan.

Land Use Scenarios

The primary distinctions between these scenarios, which can also be thought of as growth strategies, are the proposed densities across residential land use designations, the locations of future developments, and differences in mixed-use and commercial land use designations. The statistics included with each scenario indicate the growth potential if the City were developed to its maximum under those densities.

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https://planarroyogrande.com/images/AGGPU_Scenarios%20Analysis%20Memo_Clean_2025%2002%2004.pdf

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Scenario 1 serves as the baseline scenario, maintaining the status quo with no changes to the existing General Plan land uses, city limits, or sphere of influence. No modifications to current land use designations would be updated except to comply with changes in State law, such as to meet Regional Housing Needs Assessment numbers, remove housing constraints, or other updates consistent with the current Housing Element. It reflects how the city would evolve over the next 20-30 years without significant adjustments to accommodate growth or emerging trends.

Outcomes at Full Buildout:

- Population: 23,650 residents
- Jobs: 15,407
- Single-Family Units: 9,052
- Multi-Family Units: 3,103

Scenario 2 emphasizes densification within the existing city boundaries, focusing on infill development of vacant and underutilized land to increase housing and population capacity while preserving agricultural and open space lands with no changes to their current designations. No city expansion or annexation is proposed under this scenario. To accommodate additional housing units, this scenario proposes to increase maximum densities for residential and mixed-use designations (e.g., from 25 du/ac to 30 du/ac for Mixed Use), and introduces a new Corridor Mixed Use designation that would allow even greater residential densities. This scenario offers the highest population and housing growth, with modest job creation, and avoids land consumption by focusing on infill development.

Outcomes at Full Buildout:

- Population: 34,325 residents (+10,675 from Scenario 1)
- Jobs: 18,507 (+3,100 from Scenario 1)
- Single-Family Units: 11,167 (+2,114 from Scenario 1)
- Multi-Family Units: 6,787 (+3,684 from Scenario 1)

Scenario 3 would permit the conversion of existing agricultural land within city limits to residential uses and complementary amenities (e.g., parks, open space) to accommodate anticipated growth. rather than increasing densities allowed in most other land use designations. Development within the existing agriculturally zoned areas would require a specific plan to guide development within the North Fair Oaks and Frederick's focus areas. This scenario also introduces a new Corridor Mixed Use designation (30 du/ac, 2.0 FAR) for higher-density infill throughout the E. Grand Avenue corridor.

Outcomes at Full Buildout:

- Population: 26,801 residents (+3,151 from Scenario 1)
- Jobs: 15,780 (+373 from Scenario 1)
- Single-Family Units: 9,798 (+746 from Scenario 1)
- Multi-Family Units: 4,124 (+1,020 from Scenario 1)

Scenario 4 prioritizes economic growth by expanding commercial and employment-generating land uses within existing boundaries, primarily through the conversion of agricultural land via Specific Plans. Similar to Scenario 3, specific plans would be required to guide development of existing agricultural lands; however, in this scenario the land uses would emphasize commercial and mixed-use development. Increased density for commercial development and residential development in mixed-use zones would also be included in this scenario.

Outcomes at Full Buildout:

- Population: 31,607 residents (+7,957 from Scenario 1)
- Jobs: 28,199 (+12,792 from Scenario 1)
- Single-Family Units: 10,770 (+1,718 from Scenario 1)
- Multi-Family Units: 5,562 (+2,458 from Scenario 1)

These scenarios provide a spectrum of options for the City to balance growth, accommodate housing and economic development needs, and land preservation. The focus areas and land use scenarios are described in greater detail in the Land Use Scenarios Memorandum.

Public Outreach and Preferences

After the four land use scenarios were developed, the project team sought public input on its preferences. The scenarios were introduced at the community workshop held on February 5, 2025. The objective of the workshop was to introduce various land use scenarios, along with their anticipated impacts on jobs, housing, and the built environment. At the workshop, attendees were asked to select their preferred land use scenario. Those who supported Scenarios 3 and 4 were asked to identify their preferred combination and location of land uses within the associated focus areas. After the workshop, an online survey was released to solicit feedback on each of the scenarios for community members who were unable to attend.

The community's preferred scenario is essentially a hybrid of Scenarios 1, 2, and 3. Intensification of the development along the East Grand Corridor was preferred by the largest proportion of respondents (39%) because this scenario would increase both housing and commercial development without creating sprawl or requiring development of existing agricultural areas. The other three scenarios received less support (between 18-23%), with similar amounts of support to each other from respondents.

Scenario 1 received a majority of the support from respondents (54%) with regards to the North Fair Oaks focus area. Supporters emphasized the importance of preserving prime farmland for future generations, food production, and environmental sustainability. Commenters also highlight Arroyo Grande's agricultural heritage and the value of maintaining its rural character, scenic beauty, and historical ties to farming. It should be noted that the property owner of the North Fair Oaks focus area has indicated that they are not looking to continue the history of farming on the property. Scenario 3, which

proposes residential development, received the second most support because of the opportunity to provide a range of housing options and connectivity to E. Grand Avenue to the north and the Village to the east.

A majority of respondents were supportive of Scenario 3 and the potential for residential development for the Frederick's focus area, albeit with differing opinions on the residential density. Those in favor of this scenario were enthusiastic about the potential to expand the City's parks and recreational facilities that could accompany the residential development. A summary of the feedback received at the community workshop and from the online surveys is described in the Land Use Scenarios Workshop and Survey Results memorandum (Attachment 2).

General Plan Citizens Advisory Group (CAG)

The CAG consists of five residents from a wide range of professional backgrounds, one Planning Commissioner, and one City Council Member. The CAG meets approximately one time per month to review administrative drafts of deliverables and be consulted during initial policy development. The CAG met on two occasions to discuss the proposed land use scenarios, on February 24, and March 10, 2025. The focus areas and the corresponding four land use scenarios were presented to the group during the February meeting. At the following meeting, CAG members identified their preferred land use scenario. There was a strong preference for a hybrid scenario consisting of Scenarios 2 and 3. The CAG identified the redevelopment potential for the E. Grand Avenue corridor as a whole, as modeled by Scenario 2. The group was also largely supportive of Scenario 3, although there were varying opinions about what future residential development should entail. Aspects of Scenario #4 were also favored, particularly the emphasis on the redevelopment of the E. Grand Avenue corridor and the potential of providing small commercial/industrial incubator spaces. The one area of consensus was support for the inclusion of recreational facilities to support future development, and the city at large.

Planning Commission Recommendation

The land use scenarios were presented to the Planning Commission at its meeting on [March 18, 2025](#)³. The Planning Commission's recommendation is a hybrid of Scenarios 2 and 3, which reads:

The recommended scenario emphasizes densification within the existing city boundaries, focusing on infill development of vacant and underutilized land to increase housing and population capacity. This scenario introduces a new Corridor Mixed Use designation that allows higher residential densities. This scenario would also permit the conversion of existing agricultural land within city limits to residential uses and complementary amenities, such as parks and open space. Development within the agriculturally zoned areas would require a specific plan to guide development within the North Fair Oaks and Frederick's focus areas.

³ <https://pub-arroyogrande.escribemeetings.com/filestream.ashx?DocumentId=14125>

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The Planning Commission recommended scenario would increase densities across the spectrum of residential land use designations and more intense commercial development by increasing the allowable floor-area ratio and lot coverage standards.

Next Steps

Staff is requesting that the City Council identify their preferred scenario or hybrid thereof based on the various input provided through initial community surveys, workshops, online comments, pop-up events, Citizens Advisory Group, and Planning Commission. The preferred land use scenario will be the foundation of the new General Plan elements, while also being influenced by the vision statement and guiding principles. The next phase of the project consists of drafting the goals, policies, and implementation strategies that will serve as the City's blueprint for growth for the duration of the General Plan. This phase will include community meetings to address specific topics such as safety, economic development, and environmental justice, and culminate with a community workshop to unveil the draft General Plan.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt a preferred land use scenario for the General Plan Update, or a hybrid thereof; or
2. Provide other direction to staff.

ADVANTAGES:

Selection of a preferred land use scenario will guide the development of General Plan's goals, policies, and implementation strategies, which will ultimately dictate how many people could feasibly live in the city and guide the growth of the local economy.

DISADVANTAGES:

The preferred land use scenario may result in the development of undeveloped agricultural land to accommodate anticipated growth in the housing and economic sectors.

ENVIRONMENTAL REVIEW:

The adoption of a land use scenario is not a project subject to the California Environmental Quality Act ("CEQA") because adoption has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060 (c)(2) and (3), 15378.)

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2. An email has been sent to everyone who has signed up to receive project notifications through the project's website, www.planarroyogrande.com.

Item 11.b.

ATTACHMENTS:

1. Land Use Scenarios Memorandum
2. Land Use Scenarios Workshop and Survey Results Memorandum