



MEMORANDUM

TO: City Council

FROM: Brian Pedrotti, Community Development Director

BY: Andrew Perez, Planning Manager

SUBJECT: Consideration of Adoption of an Ordinance Amending Title 16 of the Arroyo Grande Municipal Code Regarding Emergency Shelters; Development Code Amendment 23-004

DATE: July 25, 2023

SUMMARY OF ACTION:

Adopting the Ordinance will amend the regulations applicable to emergency shelters.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

No financial impact is projected.

RECOMMENDATION:

Adopt the Ordinance amending Sections 16.36.030 and 16.52.091 of the Arroyo Grande Municipal Code regarding Emergency Shelters and find that the Ordinance is exempt from the California Environmental Quality Act (CEQA) because it will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines sections 15060, subd. (c)(2), (3); 15061(b)(3)).

BACKGROUND:

The Arroyo Grande Municipal Code (AGMC) currently allows emergency shelters in the Industrial Mixed Use (IMU) and Highway Mixed Use (HMU) zoning districts. Consistent with state law, the AGMC defines an emergency shelter as “housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.”

Senate Bill 2 (SB 2), which became effective on January 1, 2008, requires the Housing Element of all cities and counties in California to identify a zone or zones where emergency shelters are allowed without a conditional use permit or other discretionary approval. The City’s Housing Element identifies the IMU and HMU zones as districts where emergency shelters are allowed without a discretionary permit. However, AGMC

Item 9.k.

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section 16.36.030 currently conflicts with the Housing Element as it provides that emergency shelters are allowed in these areas with a minor use permit (MUP), which is a discretionary permit. This ordinance amendment rectifies this inconsistency.

The ordinance amendment also proposes to allow emergency shelters in the Fair Oaks Mixed Use (FOMU) district without a discretionary permit to provide additional options for the establishment of an emergency shelter in response to the shelter crisis declared by Council in 2018.

The Planning Commission reviewed the draft ordinance at its meeting on June 6, 2023 (Attachment 2). The Commission was supportive of the ordinance as proposed and recommended that Council adopt the ordinance as drafted. The City Council then introduced the ordinance amendments at its meeting on June 27, 2023 (Attachment 3).

ANALYSIS OF ISSUES:

The ordinance amendments are now ready for adoption. The ordinance amendments will become effective thirty (30) days after adoption.

ALTERNATIVES:

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

1. Adopt the ordinance amendments as proposed; or
2. Modify the ordinance amendments and direct staff to return at a future public hearing to introduce the modified amendments; or
3. Provide other direction to staff.

ADVANTAGES:

The ordinance will make the AGMC consistent with its Housing Element, and therefore, in compliance with State law. Allowing emergency shelters in the FOMU zone provides additional opportunities for the establishment of a shelter and improve the shelter crisis.

DISADVANTAGES:

Allowing shelters in the FOMU zone potentially eliminates parcels that could otherwise be developed with permanent housing and commercial uses in a mixed-use district.

ENVIRONMENTAL REVIEW:

In compliance with the California Environmental Quality Act (CEQA), the Community Development Department has determined that the ordinance does not qualify as a "project" under CEQA and because the ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment. (State CEQA Guidelines section 15060, subd. (c)(2), (3).) Section 15378 of the State CEQA Guidelines defines a project as the whole of an action, which could potentially result in either a direct physical change, or reasonably foreseeable indirect physical change, in the environment. Here, the

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ordinance will not result in any construction or development, and it will not have any other effect that would physically change the environment. The ordinance therefore does not qualify as a project subject to CEQA.

In the alternative, even if the ordinance did qualify as a “project” under CEQA, it would be exempt from CEQA under State CEQA Guidelines section 15061(b)(3), which exempts projects from CEQA “[w]here it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” Thus, even if the ordinance could result in some physical change in the environment, the ordinance is exempt from CEQA because it can be seen with certainty that there is no possibility that the ordinance may have a significant effect on the environment.

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.

Attachments:

1. Proposed Ordinance
2. Staff Report and Minutes from the June 6, 2023, Planning Commission Meeting
3. Staff Report from the June 27, 2023, City Council Meeting