



CITY OF ATASCADERO

PLANNING COMMISSION STAFF REPORT

Item F1

Department: Community
Development
Date: 3/17/2026
Placement: Management
Report

TO: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR
FROM: KELLY GLEASON, PLANNING MANAGER
PREPARED BY: SAM MOUNTAIN, ASSISTANT PLANNER

SUBJECT: 2025 General Plan and Housing Element Annual Progress Reports

RECOMMENDATION:

Planning Commission review the Annual General Plan and Housing Element Progress Report for 2025.

DISCUSSION:

The State of California requires cities to file an annual General Plan Progress Report to the Office of Land Use and Climate Innovation (LCI, formerly the Office of Planning and Research) and a Housing Element Annual Progress Report (APR) to the Department of Housing and Community Development (HCD). The purpose of these reports is to monitor the City's implementation of its General Plan policies. A copy of the Housing Element Progress spreadsheet is attached for reference. Information from this report will be included in the General Plan Annual report submitted to LCI.

ANALYSIS:

The purpose of the reports is to monitor the implementation of the City's General Plan, with specific attention on Housing Element progress toward meeting the City's Regional Housing Needs Allocation (RHNA). As the city is currently in the process of a comprehensive General Plan update, reporting related to General Plan policy implementation will focus on these efforts.

GENERAL PLAN IMPLEMENTATION PROGRESS

The City began the General Plan Update process in December 2021. The 2045 General Plan will reflect the community vision and values and forecast growth and policy objectives through 2045. The process provided an opportunity to evaluate long-term growth and resources, community health and safety and a host of other topics essential to quality of life. The process included an evaluation of policies and programs included in the 2002 General Plan, with those ongoing policies that align with the updated community vision carrying forward, and completed programs eliminated to make way for future growth and community needs.

A key focus of the General Plan update is economic development. Commercial growth remains a key aspect to the fiscal and social health of Atascadero. While fewer construction permit applications were processed in 2025 compared to previous years due to high interest rates, labor shortages, and high cost of materials, the Central Coast and Atascadero remain a focus for investment.

The City reviewed **63** construction permits for various commercial and mixed-use projects. 59 of those 63 permits were issued and construction is in progress. Those numbers include both tenant improvements, and new buildings. On the residential side, the City received **551** permit applications. Those permits ranged from additions and remodels to new construction. While this represents a moderate decline in both categories after years of steady growth in the number of permits processed, several large projects in the entitlement process or currently under construction demonstrate that the City is on track to maintain a steady pipeline of development activity in the coming years.

Notable Commercial Projects in 2025

In 2025, several commercial development projects reached key project benchmarks. The following include notable milestones in project approvals, construction, and openings over the past year:

- Dove Creek commercial shell permits approved and ready to issue
- Valley Fresh open for business, adjacent commercial shell building finalized
- Beachin' Biscuits permits issued
- Chick-fil-A application processed
- Del Rio Ranch master plan approved

HOUSING ELEMENT PROGRESS

The San Luis Obispo Council of Governments (SLOCOG) provides each City in our County with a specific allocation of housing units that must be accommodated in each jurisdiction's land use plan. These regional housing allocations are required to be used by the City when updating the Housing Element. They are the basis for assuring that adequate sites are zoned and available to accommodate the minimum number of units allocated to our City. These housing allocation numbers are not housing unit quotas that the City must achieve, but instead are housing targets that the City must plan for through targeted zoning, site identification, and reduction of obstacles to development. State Housing Element law requires that each City and County identify and analyze existing and projected housing needs within their jurisdictions and prepare goals, policies, programs and quantified objectives to further the development, improvement, and preservation of housing.

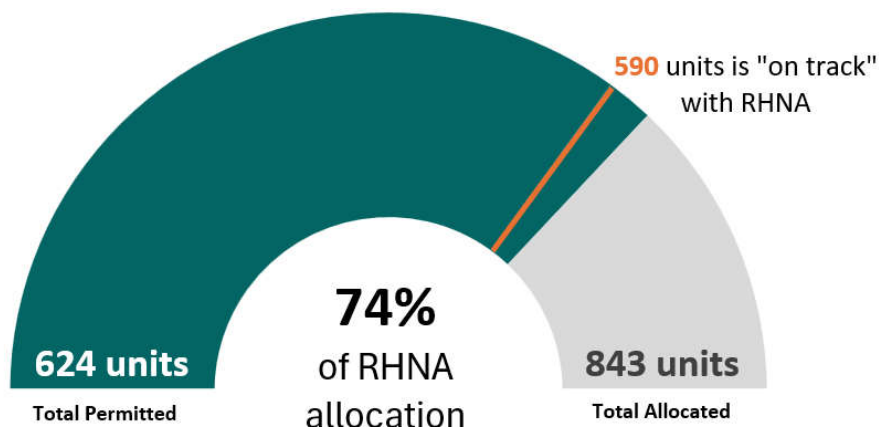
The RHNA for the eight-year period ending in 2028 allocates 843 housing units of various affordability levels for Atascadero. Attachment 1 includes the relevant tables and data the City will be submitting to HCD. Note that the APR report format is catered to larger jurisdictions and Atascadero does not have relevant data, such as housing element rezonings or commercial density bonus implementation, to fill out all the tables in the report. As a result, only relevant tabs are included in the attachment. The full submittal is available for review by contacting the Community Development Department.

One substantial component for this RHNA cycle is that the City can include Accessory Dwelling Units (ADUs) toward our low- and moderate-income RHNA allocation based on a regional rent study commissioned by San Luis Obispo County. The study allows local jurisdictions to count 50% of ADUs as low-income units and the other 50% as moderate-income units. In this year’s totals, ADUs account for 14 of the identified affordable units. Multifamily and mixed-use units in dense, 5+ unit multiplex projects are considered affordable at moderate incomes based on SLOCOG’s Countywide Affordable by Design Study, and detached units in small-lot subdivisions are considered affordable at moderate income levels based on documented sale/rent prices in the area.

As of 2025, 70% of the way through the planning period, the City has exceeded its RHNA goals for low- and moderate-income units and has permitted 74% of its total allocated units under RHNA. This data is shown in greater detail in the table and graphic below.

TOTAL NUMBER OF RESIDENTIAL UNITS PERMITTED, 2020-2025

Year	Ext/Very Low	Low	Moderate	Market Rate	Total
RHNA	207	131	151	354	843
<i>2019-2020 credits</i>		7	7	100	114
2021	3	13	54	66	136
2022		11	29	13	53
2023		79	28	8	115
2024	1	13	26	78	118
2025		9	63	16	88
Remaining Balance	203	0 (RHNA exceeded by 1)	0 (RHNA exceeded by 56)	73	219



Residential Construction Permits Issued

In 2025, the City issued permits to construct 88 new residential units. These included:

- 2 deed-restricted low-income units (both for the La Moda mixed-use project).
- 14 new ADUs (7 qualifying as low-income units and 7 qualifying as moderate-income units).
- 56 units that qualify as “affordable by design” to moderate-income households based on affordable-by-design parameters identified in the SLOCOG study.

Housing Policy Highlights of 2025

Since Housing Element Adoption, the City has completed a number of programs to meet identified goals and policies. In 2025, the City completed the following:

- Draft 2045 General Plan published for public review
- Updated ADU ordinance for consistency with State streamlining efforts
- Adopted new fire hazard maps
- Established more flexible hotel standards to bolster the regional lodging industry
- ECHO amendments for family wing and expanded meal program
- Exceeded RHNA goals for low- and moderate-rate units

Housing Entitlements and Streamlining

Entitlements include discretionary processes such as a Conditional Use Permit or Precise Plan that grant approval to move forward with a project but do not allow immediate construction until a building or grading permit is issued.

The City has streamlined its review process for housing projects, allowing more applications to be approved at the staff level (ministerial) rather than through a discretionary entitlement process. This was achieved through the adoption of Objective Design Standards for multi-family and mixed-use developments in 2024. These objective standards provide design certainty and remove the need for discretionary review if followed. As a result, the number of housing entitlement applications has declined over time. Only one discretionary housing entitlement, for a 16-unit project at 4615 El Camino Real, was approved in 2025. This was a mixed-use project outside of downtown, which requires a Conditional Use Permit based on the mixed-use component.

Notable Residential and Mixed-Use Projects in 2025

Several housing projects reached important phases in 2025, marking continued progress in residential development throughout the City:

- Emerald Ridge – 72 units under construction
- Emerald Court – 10 units finalized
- Entitlement approval for 16 units in 4615 El Camino Real mixed-use
- Permits issued for La Moda mixed-use
- Marketplace mixed-use buildings under construction
- Dove Creek Residential ready to issue
- ECHO expansion for 30 additional beds issued

WHAT'S TO COME FOR 2026

New 2045 General Plan policies should open the door for continued growth. The new Innovation/Flex placetype is aimed at creating jobs centers, accommodating research and manufacturing businesses and incubator spaces, and catering to head of household job creation. The plan also refines mixed-use zoning and expands multi-family and missing middle housing placetypes to accommodate the next RHNA cycle that starts in 2028 and future housing needs projected through 2045.

CONCLUSION

The City's 2045 General Plan will be adopted in the summer of 2026 and will provide an updated framework for the community vision for the next 20 years. The City continues to make progress toward meeting identified 2020-2028 RHNA goals and strives to implement policies to streamline the entitlement and permit process.

FISCAL IMPACT:

None.

REVIEWED BY OTHERS:

This item has been reviewed by the Planning Manager as well as the Community Development Director.

REVIEWED AND APPROVED FOR PLANNING COMMISSION AGENDA



Phil Dunsmore, Community Development Director

ATTACHMENT(S):

1. Atascadero 2025 APR tables