



LAFCO - San Luis Obispo - Local Agency Formation Commission  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**TO: MEMBERS, FORMATION COMMISSION**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER  
MIKE PRATER, DEPUTY EXECUTIVE OFFICER**

**DATE: JANUARY 17, 2019**

**SUBJECT: STATUS REPORT- CITY OF ATASCADERO AND CITY OF  
PISMO BEACH SPHERE OF INFLUENCE  
UPDATE/MUNICIPAL SERVICE REVIEW**

**Recommendation:** It is respectfully recommended that the Commission review this status report and provide comments to staff.

**Summary:** This status report is to bring the Commission up-to-date regarding the Sphere of Influence (SOI) update and Municipal Service Review (MSR) that are being prepared for the City of Atascadero and City of Pismo Beach. LAFCO is required by the Cortese-Knox-Hertzberg Act to update the Sphere of Influence for a jurisdiction every five years or as needed.

The preparation of a Municipal Service Review is an informational driven activity. LAFCO staff has met with both City staffs. City/County Memorandum of Agreement meetings with the City of Atascadero has been successful. City of Pismo Beach MOA meetings are anticipated in January/February. LAFCO staff has been working on an Administrative Draft of the MSR for City review. The MSR along with the analysis and determinations called for by the Government Code will be used to form the Sphere of Influence Update.

The Sphere of Influence update will identify any changes that might be appropriate to make to the Sphere of Influence. LAFCO staff has been working with the County and the City of Atascadero to look at opportunities for Study Areas that have the potential to be added to their Sphere of Influence.

The City of Pismo Beach's Sphere of Influence may see a reduction in the Price Canyon area.

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## Current Sphere of Influence Update

**Process.** The process calls for several status reports and public hearings and provides for a number of points that the public may comment and provide testimony as the Sphere of Influence update process unfolds. The process for bringing the SOI update and Municipal Service Review to the Commission includes the following steps:

Action Items	Dates
Compile and Gather Information	August - Nov 2018
Prepare documentation: SOI Update-MSR-CEQA	Dec 2018
Release for Public Review and Comment. 45-day comment period	Feb – March 2019
Facilitate-City/County Memorandum of Agreement Revise, if needed	On-going
Respond to Comments	Apr – May 2019
Public Hearing regarding the Service Review/Sphere of Influence Update/City-County MOA	June - July-2019

Updating the existing City/County Memorandum of Agreements will be part of the SOI update process for both Cities. The draft MOA for the City of Atascadero will cover several special areas of focus and lays out a process to follow if an area should be considered for future development within the City or County. Under this SOI Update, the Study Areas will consist of the current SOI properties; most notable is Eagle Ranch and any other potential sites identified by the City to be considered.

The City of Pismo Beach’s adopted MOA covers several special areas of interest in the Price Canyon Planning Area, the Preserve site, and Los Robles Del Mar site. These properties have seen significant changes in the City’s General Plan, with the Preserve site haven been purchased by SLO Land Conservancy and placed in a conservation easement. In 2014, a ballot initiative was approved to limit the type of development in Price Canyon. A key constraint placed on this area was parcel size would be limited to 40 acres or larger, with a maximum of two homes per parcel. The City amended its General Plan to reflect this policy language. The LRDM site has been denied annexation requests twice by LAFCO. LAFCO is required to give “great weight” to these agreements in its determination of the Sphere of Influence.

**Atascadero’s** Sphere of Influence was most recently updated in 2011, and it included Eagle Ranch area and one additional small property (5 acres) located at the northern end of the City. The City had worked on a Specific Plan for the Eagle Ranch area; however the landowners have put the project on hold.

**Study Areas.** For study purposes, LAFCO staff prepared a map that included the existing SOI properties as the Study Areas for the Sphere of Influence for the City. The Study Areas are used to help analyze and identify which properties should remain/removed or be included and which should be excluded from the Sphere of Influence. A summary of the Study Areas are listed in the table below:

Table 1 City of Atascadero Study Areas

Study Area	Description	Acres	Existing Zoning	Prime AG Land	Constraints
1	N. San Ramon	5	Agriculture	No	Unknown
2	<b>Eagle Ranch</b>	<b>3,500</b>	Agriculture	<b>Yes</b>	AG Land, Fire Haz.
	Totals	<b>3,505</b>			

The Study Areas are described in more detail below including a map of the area.

**The Eagle Ranch Property (Located in SLO County; Within the SOI).** The 3,500-acre area just south of the Atascadero City limit is comprised of approximately 452 lots. These lots were originally subdivided as part of the Atascadero Colony envisioned by E.G. Lewis in 1914. The County of San Luis Obispo has issued Certificates of Compliance for 452 lots. A Certificate of Compliance means that a lot is considered legal and could be developed if it meets General Plan policies and standards. The Eagle Ranch lots are located immediately adjacent to the City Limits and could be developed under county regulations since they have been certified as legal lots in the county. The existing lot configuration is haphazard, and would encourage urban sprawl, a disorganized road system, and lengthy utility connections. A more compact urban form that preserves more of the agriculture and open space lands could be pursued through a specific plan adopted by the City and is preferable to development of these lots in the County.



Table 2 City of Pismo Beach Study Areas

Study Area	Description	Acres	Existing Zoning	Prime AG Land	Constraints
1	King South Ranch (SOI)	471	Rural Lands	Yes	AG Land, Fire Haz.
2	Godfrey Parcel	250	Rural Lands	Yes	AG Land, Fire Haz.
3	Big Bird (SOI)	258	Agriculture	Yes	AG Land
4	Loughead (SOI)	182	Rural Lands	No	Unknown
5	Los Robles del Mar (SOI)	182	Rural Lands	No	Biological Resources
6	Preserve Lot (SOI)	7	Rural Lands	No	None
	Totals	<b>1,350</b>			

The Study Areas are described in more detail below including a map of the area.

**King South Ranch (Located in SLO County; Presently within SOI).** This area includes 471 acres located just south and east of Price Canyon Road. This parcel is identified by the City’s General Plan for inclusion within the Sphere of Influence and ultimate annexation and development within the City. This parcel is designated "Agriculture" by the County.

**Godfrey Parcel (Located in SLO County; Presently within SOI).** This parcel is approximately 250 acres in total area and located adjacent to and east of the King South Ranch. This parcel is designated as "Rural Lands" under the County's General Plan.

**Big Bird (Located in SLO County; Presently within the SOI).** This approximately 200-acre parcel is located to the immediate north and west of the Price House property. The Big Bird property is located adjoining Price Canyon Road. This site is designated "Agriculture" under the County's General Plan.

**Loughead (Located in SLO County, Presently within SOI).** This parcel includes approximately 200 acres of land. The site is accessed from Highland Drive in Pismo Beach, and presently contains a City water reservoir and distribution main water line in the lower southeastern corner of the site. This parcel is designated as "Rural Lands" by the County General Plan.

The sites listed above make-up a larger area – a total of over 1,200 acres – are generally considered Price Canyon Area. Most recently, there were two separate large developments proposed for this planning area, totally about 1,000 housing units on hilly terrain. In November 2014, a ballot initiative was approved to limit the type of

development in Price Canyon.

**Los Robles Del Mar (Located in SLO County; Presently within the SOI).** This parcel is located adjoining Oak Park Road at the southern end of the Oak Park Heights Planning Area. The Los Robles Del Mar (LRDM) plan area includes two (2) separate parcels. The Coastal Christian School was recently relocated and built on a portion of this area. This portion has an approved outside user agreement for wastewater services only. The approximately 152 acre ownership generally referred to as Los Robles del Mar – has been proposed and discussed residential development for several decades. San Luis Obispo LAFCO has denied two such proposals. This parcel is designated by the County as Rural Lands.

Figure 2 City of Pismo Beach Possible Study Areas

