

# Attachment E

## LAFCO Proposal Review Factors - Government Code 56430

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### Sphere of Influence Amendment to The City of Morro Bay (Panorama Lots)

– LAFCO No. 1-S-21

To prepare for the Sphere of Influence (SOI) Amendment for the Panorama Lots area, the Local Agency Formation Commission (LAFCO) will rely on the City of Morro Bay’s General Plan and certified Environmental Impact Report (SCH # 2017111026), last adopted in May 2021. Additionally, the Commission as part of this action, will use the City’s latest MSR adopted in August 2017 and provide an updated brief analysis of the seven factors listed in 56430 (a).

LAFCO has also analyzed the required SOI factors outlined in gov code section 56425 (e) and provided determinations to be considered and a written statement approved by the Commission. These written statements are provided in the proposal Staff Report dated January 20, 2022.

#### (1) Growth and population projections for the affected area.

**Response.** In addition to the analysis conducted through the City’s 2017 MSR update the following should also be considered as part of this action. Under the existing land use designations of the County, one primary residence may be constructed on the affected area, each lot with the opportunity of an accessory dwelling unit on each of the 5 lots as allowed under state law. In addition, because the lots are designated under County Code as “Agriculture”, various agriculturally related structures could be developed. As such, the intended future development potential of the Panorama Lots as described in City’s Resolution of Application would likely be similar or less than currently allowed by the County of San Luis Obispo.

Development of the project could add approximately 10 residents to the city (5 dwelling units x 1.99 people/unit) based on California Department of Finance 2021 estimates for average household size in the City of Morro Bay. If each lot were to develop an accessory dwelling unit as allowed under state law that would add approximately 10 additional residents (5 accessory dwelling units x 1.99 people/unit). This would result in a 0.197% increase in the City’s population of 10,121 (DOF 2021).

As of 2010, the City’s population was approximately 10,234. The total population rate declined between the years of 2010 to 2020 at -0.8%. The 2021 population estimate is 10,121. Build out population is approximately 12,015 by 2040 according to the City’s Updated General Plan.

Morro Bay Population [DOF]		
2010	2015	2020
10,234	10,364	10,151

Source: California Department of Finance, Population and Housing Estimates [E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2011-2021, with 2010 Benchmark](#)

**(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

**Response.** In addition to the analysis conducted through the City's 2017 MSR update the following should also be considered as part of this action. In summary, a disadvantaged community is defined as a community with an annual median household income that is less than 80 percent of the statewide annual median household income. The existing SOI and proposed SOI amendment for the city does not have any disadvantaged communities that have a present and probable need for public facilities and services nor do the areas contiguous to the SOI qualify as a disadvantaged community.

**(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

**Response.** In addition to the analysis conducted through the City's 2017 MSR update, the Comprehensive General Plan update, and EIR, the following should also be considered as part of this action. As mentioned in the City's response to LAFCO's information request letter dated July 28, 2021, the City has adequate resources to serve these five properties. The City's recently adopted Final EIR analyzed public facilities and services for those areas in the planned SOI. Existing infrastructure providing access to City services is in the immediate area; each future landowner will install the connections as required. Fire response is currently provided under County jurisdiction by the California Department of Forestry and Fire Protection (CAL FIRE) and police response by the County Sheriff's office. The City also has active mutual aid agreements with both Cal Fire and the Sheriff's Department. Additional analysis would be required along with a revised detailed Plan for Services at time of annexation.

**(4) Financial ability of agencies to provide services.**

**Response.** In addition to the analysis conducted through the City's 2017 MSR update the following should also be considered as part of this action. As previously mentioned in response (3), cost related to the connection of utilities to serve the annexed properties will be the responsibility of the property owner/applicant for the proposed development project. In addition, the City has the ability to provide police and fire protection, as well as all other needed general urban services to the SOI area. The City has an established developer impact fee program and any future development in this area would be required to pay their fair share of fees so as to ensure that fiscal impacts to the City are addressed.

**(5) Status of, and opportunities for, shared facilities.**

**Response.** In addition to the analysis conducted through the City's 2017 MSR update the following should also be considered as part of this action. As mentioned in the submitted SOI Plan for Services document, the City's existing Wastewater Treatment Plant (WWTP) no longer provides adequate capacity for the existing population; however, the city is constructing a new Water Reclamation Facility (WRF), which is designed to meet existing needs and future demand. Completion of the new WRF, as well as implementation of the OneWater Morro Bay master plan and the policies in the General Plan and LCP Update Conservation Element ensure adequate wastewater systems and infrastructure to meet future demands. Based on the water supply projections presented in the OneWater Morro Bay Plan, the city's water supply would be sufficient to meet the projected demand of the development envisioned in the General Plan and LCP Update. The 5 Future SOI lots will, as appropriate, utilize existing roadways to connect and provide access to.

**(6) Accountability for community service needs, including governmental structure and operational efficiencies.**

**Response.** No additional analysis was included to this section of the City's 2017 MSR update.

**(7) Any other matter related to effective or efficient service delivery, as required by commission policy.**

**Response.** In addition to the analysis conducted through the City's 2017 MSR update the following should also be considered as part of this action. As a follow up to the issue that was mentioned in this section of the 2017 MSR (Wastewater Treatment); It should be noted that major progress has occurred with the City's Wastewater Treatment Plant Facility as mentioned in section (5) above.