

ATTACHMENT B

LAFCO Proposal Review Factors - Government Code 56668

Froom Ranch Specific Plan Annexation to the

City of San Luis Obispo 1-R-21

Factor (a) Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

Response. The Froom Ranch Specific Plan annexation involves 109 acres bounded by Los Osos Valley Road and HWY 101. Many of these factors are addressed in the staff report. The proposed annexation area is within the City's Sphere of Influence as approved by LAFCO in October 2016. The Specific Plan approved by the City provides policies and development standards to ensure the orderly development of these areas in three phases. The Environmental Impact Report (EIR) evaluated full buildout of the Specific Plan, which would allow for the development of 578 residential units and 100,000 square feet of commercial space. As such, the project is expected to result in additional growth within the city and add approximately 1,231 people to the City and create 332 jobs. However, the City is prepared to provide services and has approved the Specific Plan with the goal of providing for the planned and well organized growth, as described in the staff report and Plan for Services.

Based on the 2050 Regional Growth Forecast, San Luis Obispo Council of Governments (SLOCOG) projects a continuation of the low to moderate growth rates experienced by the City since 2010, with a medium growth rate of 0.46 percent annual growth projected to 2050. According to SLOCOG's medium growth population projections, the City would experience a population increase of 1,264 residents between 2015 and 2020, and the addition of 1,387 new residents between 2020 and 2025. Population growth is considered significant only if it is unplanned or unanticipated by the City. The proposed annexation has been evaluated in detail by the City and has determined that it has the ability to serve the development. The total increase in population under the Project would be well below the projected population under the existing General Plan by 2035, which plans for a future additional population of 10,652. Therefore, population increases resulting from the Project would remain within planned growth under the general plan.

City Population	2015	2020	2025	2040	2050
City of SLO	45,950	47,214	48,861	51,105	51,672

The Project site encompasses highly varied topography. The southwest portion of the site is approximately 100 to 120 feet higher in elevation than the eastern portion of the site along lower Froom Creek adjacent to Los Osos Valley Road. Upper elevations of the site have steeper slopes and drainages that transition to the Irish Hills Natural Reserve in the hills above. Relatively flat grassland, disturbed areas, the Froom Creek channel, and wetlands occur in lower elevations of the Project site.

The total secured assessed value of the annexation area as determined by the County Assessor is \$2,804,191.00. This assessed valuation was used as the basis for property tax negotiations between the City and County.

Factor (b) 1) The need for organized community services, the present cost and adequacy of governmental services and controls in the area, probable future needs for those services and controls, probable effect of the proposed incorporation, formation, annexation, or exclusion and alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

2) "Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

Response. The project would create a need for community services. The present cost and adequacy of governmental services and controls in the area is technically the County's responsibility, however, in emergency response situations the City is normally the first responder due to the proximity of City services. The entitlements approved by the City will identify the impact fees to be paid and other financing issues. Future developers will be responsible for payment of fees, and the approximate \$12 million infrastructure improvement costs. The probable need for future services is certain given the urban nature of the surrounding area, the pre-zoning and the Specific Plan already approved by the City. If the annexation is approved, the area would then be able to receive urban level services that can be provided by the City. It is not anticipated that rates would increase, as the relative population of this project when compared to the city is comparatively small, and the developer would offset impacts by the provision of new infrastructure or payment of impact mitigation fees. The City would provide a higher level of service to the area in terms of water and wastewater services as well as fire and police. As shown in the Plan for Services, the City is able to provide all necessary services to the annexation area beyond those described herein.

Factor (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

Response. The proposed action would allow the proposal approved by the City to be implemented upon compliance with the conditions of approval. The area would be removed from the County's unincorporated area and be within the City's incorporated service area. The eventual impact would be an increase of population for the City. The City would be responsible for providing services to the area. The new residential and commercial development would increase the population and the economic activity in the area and contribute to local businesses, social and economic interests. It is anticipated the project would generate a residential population of 1,264 people and 332 jobs. The City has the ability to serve the development while minimizing impacts to the existing community, as described in the Plan for Services, financing plan, Specific Plan and EIR.

Factor (d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.

Response. The City prepared the Specific Plan that provides for the planned, orderly and efficient development of the area coupled with the City approving the entitlements and environmental documentation regarding this proposal both provide detailed documents that address a variety of issues, including:

- Open Space and Parks
- Utilities and Services
- Plan Implementation
- Development Standards
- Circulation/Transportation
- Housing Affordability
- Land Use
- Design
- Public Services
- Public Facilities
- Financing

The City has also completed an EIR that evaluates the impacts of the proposal. The following are the San Luis Obispo LAFCO Policies for City Annexations and a brief analysis of the proposal under these policies:

Policy 1. The boundaries of a proposed annexation must be definite and certain and must conform to lines of assessment whenever possible.

Analysis. The boundaries are definite and certain and adhere to assessor parcel lines. The annexation map has been approved by the County Surveyor.

Policy 2. The boundaries of an area to be annexed will not result in any areas difficult to serve.

Analysis. The properties are adjacent to /surrounded by to the City and are not difficult for the provision of City services. In fact, annexing this area would take in an semi-island of unincorporated territory and encourages the orderly development of the City and supports the implementation of the Plan that has been approved by the City.

Policy 3. There is a demonstrated need for governmental services and controls in the area proposed for annexation.

Analysis. The City will be able to provide an increased level of service and controls for these areas as detailed in the Plan for Services, EIR and Specific Plan. The Specific Plan approved by the City address the provision of governmental services, financing of improvements, a plan for services and improved sales tax revenues.

Policy 4. The municipality has the resources capable of meeting the need for services in the area proposed for annexation and has submitted studies and information documenting its ability to serve.

Analysis. The City has demonstrated its ability to serve the area as detailed in the Plan for Services, EIR and Specific Plan.

Policy 5. There is a mutual social and economic community of interest between the residents of the municipality and the proposed territory.

Analysis. The proposed annexation would become part of the social and economic fabric of the City of San Luis Obispo. The Area is adjacent to / surrounded by the City and its social and economic communities of interest. The annexation of this area will promote the implementation of the Specific Plan which address the development of this area in detail and call for incorporate this area into the City, as well as provided a needed land use, including senior and affordable housing.

Policy 6. The proposed annexation is compatible with the municipality's General Plan. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

Analysis. The proposed annexation is consistent with the City General Plan and implements the Specific Plan prepared by the City for this area.

Government Code Section 56377 states:

56377. In reviewing and approving or disapproving proposals which could reasonably be expected to include, facilitate, or lead to the conversion of

existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing sphere of influence or the local agency.

The annexation to the City promotes the development of lands proximate to the City, while providing for the preservation of open space and agricultural lands on the same site.

Factor (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

Response. The area includes two parcels, under common ownership. The area is unincorporated and has seen limited development under County agricultural zoning consisting of a ranch complex (house and barn). While the site contains prime soils, there is an active mine on the site and it has not been used for active agriculture production. The site would result in on-site conservation of both prime and non-prime lands. The project will be conditioned under LAFCOs approval to establish that a prime agricultural land being converted by the project will be mitigated.

Factor (f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

Response. The annexation boundary follows lines of assessment and does not create an island or corridor of unincorporated territory.

Factor (g) A regional transportation plan adopted pursuant to Section 65080.

Response. The Project would be consistent with all applicable City policies and Standards, and the land use strategy in SLOCOG's 2019 Regional Transportation Plan.

Factor (h) Consistency with City or County General and Specific Plans.

Response. The annexation is consistent with the City's General Plan and Policies. The City has approved the Specific Plan and certified the EIR.

Factor (i) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

Response. The proposal site is within the City of San Luis Obispo's current Sphere of Influence which was updated in 2016. The proposal does not conflict with the Sphere of Influence of any other jurisdiction.

Factor (j) The comments of any affected local agency or other public agency.

Response. No agency comments were provided on the proposed annexation. Various agency comments were provided to the City during the public review period of the EIR and were addressed accordingly.

Factor (k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Response. The City of San Luis Obispo is capable of providing services to all of the properties within the annexation area. This is documented in Specific Plan, the completed EIR, Plan for Services, and other studies completed by the City. The property tax agreement has been approved by the City and the County of San Luis Obispo. The City has also approved an impact fee structure as part of the Specific Plan to offset the costs of future development of these areas. Additional sales tax and TOT is expected to be produced for the City.

Factor (l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

Response. This is discussed in detail in the water service section of the staff report, EIR and Specific Plan, there is adequate, reliable and sustainable water supplies for the proposed annexation.

Factor (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

Response. The annexation proposal includes the Froom Ranch Specific Plan which will include a variety of housing types and densities. The development plan would include housing types that would help the City meet its regional housing needs and Housing Element targets, including senior housing and deed restricted affordable housing.

Factor (n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.

Response. The single land owner affected by this action has provided written consent.

Factor (o) Any information relating to existing land use designations.

Response. The existing land use is addressed in the staff report.

Factor (p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.

Response. The residential units are available for purchase to people of all races, cultures and incomes. With regards to the location of public facilities and the provisions of public services, (pipelines and other infrastructure) associated with development will be located within public roadways or on the site. The City services such as police and fire are capable of serving the site and have adequate resources to serve all residents of the City of San Luis Obispo. The annexation of the area shall not require the construction of facilities in locations that unfairly impact races, cultures and incomes.

Factor Q Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined

that such information is relevant to the area that is the subject of the proposal.

Response. The annexation site is located adjacent to the Irish Hills open space area, which is considered to be a high fire hazard area. As per the EIR, this is considered to be a significant and unavoidable impact. However, various mitigation measures are proposed to reduce potential impacts as detailed in Chapter 3.7 of the EIR.