



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

DATE: FEBRUARY 15, 2018

**SUBJECT: STATUS REPORT - ANNEXATION #80 TO THE CITY OF
SAN LUIS OBISPO - SAN LUIS RANCH**

Recommendation: It is respectfully recommended that the Commission receive this file this status report.

Summary: At the November 16, 2017 LAFCO meeting a study session was conducted regarding the San Luis Ranch Annexation proposal. Various topics were discussed with direction from the Commission to return with additional information. The Commission requested clarity regarding a number of topics from phasing, acreage calculations, agricultural buffers, circulation, to funding and developer agreements. These items are being worked on and will be addressed in the annexation staff report possibly sometime in April or May. Today's status report is to provide the Commission and public with a brief update regarding the processing of this annexation application.

The City and developer have been working toward finalizing a developer's agreement that could be heard by the City Council this February. The agreement outlines, in principle, what actions the developers would be required to perform and the timing of the funding needed to implement each action. The agreement also establishes the actions for which the City will be responsible.

The City and developer have also been working toward setting up a Community Facilities District (CFD) to establish rates and methods for funding any shortfall. The City anticipates bringing forward more details on this action in February as well. Based on the Developer's Agreement and Property Tax Exchange the CFD could be slightly modified to cover any anticipated shortfall in financing.

Property Tax Agreement: The City and County have re-opened the negotiation period to approve a property tax exchange (PTE) agreement. The City estimates a March hearing date to adopt a resolution. LAFCO must have a completed PTE before opening official hearings for the annexation.

In the meantime LAFCO staff will either continue to hold study sessions to go over various components of the proposal to help everyone better understand the project or, if the PTE is approved, hold a public hearing in April or May to consider the annexation.

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