



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

April 10, 2020

SENT VIA E-MAIL

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Darren Nash, City Planner
Community Development Department
City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

**Subject: Comments on Draft Environmental Impact Report (EIR)
Gateway Annexation (Annexation Permit No. ANX 16-001 and Planned Development Permit No. PD 17-0090)**

Dear Mr. Nash:

Thank you for the opportunity to comment on the draft Environmental Impact Report for the Gateway Annexation project. The Local Agency Formation Commission (LAFCO) is a Responsible Agency that may use this document for consideration of a future Sphere of Influence Amendment and Annexation to the City of Paso Robles. Please consider the following comments:

- 1. Agricultural Resources comments.** The use of the Natural Resources Conservation Service (NRCS) classification for the definition of prime agricultural is one component of consideration of LAFCO's definition under the Cortese-Knox-Hertzberg Act (CKH Act). The FEIR should clearly explain impacts and mitigation by identifying the prime agricultural land, per LAFCO's entire definition, and any areas that are being converted. The Final EIR should be revised to include reference to LAFCO's prime agricultural lands definition discussing all lands that meet this definition, discuss lands converted by the proposed development, and lands being preserved under conservation easements. A final analysis of compliance with LAFCO's policies or any new mitigation that may be required to comply.

The applicant is proposing to provide an on-site agricultural/conservation easement of 32.3 acres to mitigate the conversion of prime agricultural land at greater than a 1:1 ratio. The on-site agricultural/conservation easement portion is of lesser quality than that being converted.

The mitigation to require irrigation of the agriculture would not set a good precedent or good use of water. The potential for dry-farming should remain available.

Having the on-site land placed under an easement that's greater than 1:1 ratio would meet LAFCO's Agricultural Policy. Because the quality of soil being protected is lesser than the quality of soil being converted, having a greater than 1:1 ratio for protecting agricultural land could be acceptable.

An additional, 49.7 acres identified in the Master Development Plan would be used as additional vineyard or other agricultural use, with an additional 16.6 acres remaining as habitat open space; these additional acres would not be under a conservation easement.

The Mitigation Monitoring Plan states the "*Project applicant shall demonstrate on Project plans the areas of the Project site that will be designated for agricultural use before final plan approval. The Project applicant shall also submit proof of permanent agricultural/conservation easement prior to final plan approval.*" LAFCO requires the agricultural easements be recorded prior to filing the annexation Certificate of Completion with the Clerk Recorder's Office.

- 2. Water Resource comments.** The projects potable water demand would be 144 AFY. The DEIR states the City has additional water supply from its Nacimiento water, groundwater from the basin and water from Salinas River. The City holds a 6,488 AFY delivery entitlement from Lake Nacimiento water. In order to directly use the Nacimiento entitlement, the City constructed a surface water treatment plant with an anticipated yield of approximately 2,017 AFY at City buildout in 2045. The DEIR also states the treatment plant operation could be increased to provide up to 2,688 AFY of water for City use, or 617 AFY more than currently anticipated by the 2045 demand. The FEIR should provide greater clarity about what increases or upgrades are needed for the City water supply to produce the demands needed to meet the City's buildout plus the Gateway Project. The FEIR should identify what improvement, if any, are required to increase the water supply by the 617 AFY.

The DEIR completed a water supply assessment (WSA) report that concluded the City has adequate potable supply to provide a reliable long-term water supply for the project under normal and drought conditions. As noted, in the WSA, the Paso Robles Groundwater Basin is currently facing legal challenges with the next phase of the case to determine how much water public water suppliers have a right to pump. Should the rights to pump be decreased the FEIR should identify if the water supply is adequate at City buildout plus Gateway Project.

Concerns from other water purveyors, within the Atascadero Sub-Basin, have requested the existing wells be metered and water use be reported to the City. The City should consider a condition limiting pumping to ensure the groundwater levels don't begin decline. The FEIR should address these concerns and consider adding mitigation to have the existing wells be metered and reports regarding the amount of water used be sent to the City.

The two existing wells on the Furlotti Ranch, that are within the Atascadero Sub-Basin, provide water to existing vineyard operations located west of the property and will continue to operate for existing purposes. Any future agricultural uses that are planned within the AG conservation easement areas may also utilize these wells. The DEIR identifies impacts and mitigation that these wells shall be continued as outlined in the Development Agreement. Mitigation is required for future use of the wells for additional agriculture uses on the project site and adjacent properties. As stated above, the mitigation to irrigate the agriculture uses would not set a good precedent or good use of water. The FEIR should consider deleting this mitigation.

3. **Wastewater comments.** According to the City's 2019 Wastewater Collection System Renewal Strategy and Master Plan, two sewer main line segments that would receive flow from the Project are identified as capacity deficient under existing and five-year peak flow conditions. These lines must be upsized in order to accommodate any additional wastewater flow from the proposed development. These sewer main lines are located at the SR 46 West interchange with U.S. 101 and in Ramada Drive. As mitigation, the project would be required to contribute its equitable share to fund the sewer main line improvements in the vicinity of the Project site. Costs above and beyond the Project's equitable share shall be addressed through such options as fee credits, reimbursement agreements, or development agreements, based on City requirements. The FEIR should provide analysis that adequate capacity will be available and the upsized pipelines will be completed prior to final occupancy permits.

4. **Traffic and Circulation comments.** A traffic study was included in the DEIR for this project. Environmental impacts and mitigation measures are identified. The Gateway project was identified as having an impact to the circulation system at the intersection of South Vine Street and Highway 46. The DEIR has identified added traffic to the U.S. 101/Main Street Interchange, where LOS currently exceeds the County LOS D target. The City will identify this impact as a Class I significant and unavoidable impact. However, mitigation to contribute to the Fair Share Funding to the Templeton Road Improvements Fee Program was identified to assist with offsetting the impact. A second Class I significant and unavoidable impact would occur along U.S. 101 mainline segments and intersection operations that would exceed the Caltrans LOS C target. The FEIR

should provide clear timelines for when traffic improvements will be constructed. Lastly, it is unclear if the traffic study considered additional traffic counts from neighboring communities that use these routes.

The Caltrans South Vine Street Alignment Project proposes shifting the alignment of South Vine Street towards the west in a broad “S” curve to meet State Route 46 west. Because the realigned South Vine Street crosses a small drainage course north of State Route 46 West, the City has prepared an alternative shorter bridge design to include a 165-foot-long free-span bridge that will be less expensive to complete than the 220-foot long free-span bridge originally proposed by Caltrans. The DEIR includes an analysis of the effect on resources of both bridge options. The FEIR should provide a clear analysis after each of the Gateway Project Phases which physical traffic improvements would be implemented to alleviate traffic to both the U.S. 101 and State Route 46 West and the U.S. 101/Main Street Interchange. Both currently operate at a LOS below the acceptable standard.

Adequate funding and timing of that funding to make these necessary improvements will play an important part in seeing circulation enhancements in the area and could be a factor in the annexation decision.

5. **Affordable Housing comments.** The DEIR states the City of Paso Robles determined in the NOP and scoping process, there was no substantial evidence that the project would cause or otherwise result in significant environmental effects in the areas of Population/Housing. The DEIR does not provide further details or analysis regarding affordable housing issues.

The DEIR addresses some aspects of providing occupants of non-residential uses with alternative transportation and smart commute information. It discusses the projects proposed 17-workforce housing units; however, the FEIR and or City should clarify how the project fulfills the City demand for affordable housing. The DEIR considered alternative option 5(b) that would allow vacation rental tenancy. A VRBO-type of unit for vacation rentals are commonly seen as removing housing units from the housing inventory. They, also, are often viewed as commercial property (investor owned) rather than actual housing stock. The FEIR should provide more information regarding this alternative including, percentage of units, housing affordability, vacation rental stock, and operations of how these units will be inhabited.

Section 4.16.6 Population/Housing outlines SLOCOG projections for City growth by year 2050 and the City’s goal of maintaining a balanced community. Primarily, the proposed project is for vacation/visitor serving destination uses with a smaller element of housing options. The DEIR does not address where the approximate 311 workers of the resort and lower wage jobs associated with

the project will live, commute, or afford a living wage to meet the City, County, and State needs. The DEIR states the housing units will be for service personnel working in the hotels. The DEIR does not state or provide mitigation on any of the housing units that will be deed-restricted or set aside for lower wage employees. The FEIR should include mitigation measures that offer first priority to local workers, residents, or project employees, onsite housing opportunities with a preference on meeting the lower wage sector. Greater analysis and discussion should be included in the FEIR or City process before LAFCO's consideration of the annexation.

We appreciate being contacted with regard to this project. If you have any questions regarding these comments please me at 805-781-5795.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater
LAFCO Deputy Executive Officer

cc. Brian Pierik, LAFCO Counsel
Commissioners