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SLO LAFCO - Serving the Area of San Luis Obispo County

November 9, 2010

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Mr. Jon Biggs, Director  
City of Pismo Beach  
Community Development Dept.  
760 Mattie Rd.  
Pismo Beach, CA 93449

**SUBJECT: COMMENTS REGARDING THE DRAFT PROGRAM  
ENVIRONMENTAL IMPACT REPORT FOR THE  
PRICE CANYON SPECIFIC PLAN**

Dear Mr. Biggs:

On October 21, 2010 the Local Agency Formation Commission conducted a Study Session regarding the Draft Program Environmental Impact Report for the Price Canyon Specific Plan. The Commission heard from numerous members of the public and regional agencies including the County Department of Planning and Building, Air Pollution Control District, Agricultural Commissioners Office and the Council of Governments. The Commission also considered the information in the Staff Report and the input from the City of Pismo Beach representatives. The Commission unanimously gave LAFCO staff specific direction as follows:

- Use the LAFCO Staff Report as the basis for LAFCO's written comments regarding the Draft Program EIR,
- The project description is currently found inadequate because of the lack of detail and specificity,
- Clarification of the nature of the water supply situation at this point in time and the need for a complete Water Supply Assessment pursuant to SB 610 for consideration in the Draft EIR,
- The use of septic systems for the proposed North Ranch development as inappropriate for the project, and
- Recirculation of the Draft EIR once the Specific Plan and Water Supply Assessment (SB 610) are drafted.

Exhibit A contains the comments considered and discussed by the Commission in the LAFCO staff report prepared for the October 21, 2010 Study Session regarding the Draft Program Environmental Impact Report for the Price Canyon Specific Plan. The Commission endorsed these comments as appropriate for the Draft EIR. Exhibit B contains more detailed staff comments regarding the Draft EIR. Thank you for considering these comments as part of the CEQA process. If you have any questions please call me at 781-5795.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Church".

David Church, AICP  
LAFCO Executive Officer

Exhibit A - Commission Comments  
Exhibit B - Staff Comments

cc. Commissioners  
Ray Biering, LAFCO Counsel



## Exhibit A

### Commission Comments

These Comments were endorsed by the Local Agency Formation Commission at the October 21, 2010 Study Session

**California Environmental Quality Act (CEQA).** By commenting on the Draft EIR LAFCO is acting as a Responsible Agency under CEQA for this proposal. Sections 15040 to 15045 of the CEQA guidelines provides the authority for LAFCO to act as a Responsible Agency, including LAFCO's ability to require changes in a project to lessen or avoid impacts of that part of the project which the agency will be called on to carry out or approve (CEQA Guideline 15041). In this case, the Draft EIR endeavors to identify impacts associated with the proposed Sphere of Influence expansion and Annexation; both of these actions come under LAFCO purview and discretion. CEQA confirms LAFCO's authority as a Responsible Agency to disapprove a project in order to avoid direct or indirect environmental impacts connected with parts of the project under LAFCO's purview (CEQA Guideline 15043). LAFCO also has the discretion to approve or disapprove a proposal based on the Cortese-Knox-Hertzberg Act and/or the local policies of San Luis Obispo LAFCO's. A variety of factors must be addressed under the Cortese-Knox-Hertzberg Act and Local San Luis Obispo LAFCO policies.

### Past LAFCO Comments/Reports

LAFCO has provided comment letters regarding the Price Canyon Master/Specific Plan during its formulation, participated in proposal briefings, and prepared several status reports advising the Commission with regard to the proposal. LAFCO has provided specific guidance throughout this process: a January 27, 2009 letter from the Chairman advising the City of the Commission's concern with regard to the use of groundwater based on the results of the LRDM proposal, a May 13, 2009 comment letter submitted with regard to the development of the Constraints Analysis, and an October 9, 2009 Notice of Preparation comment letter which included these prior letters and provided more specifics regarding LAFCO concerns as a Responsible Agency. These letters and reports have already been submitted and are incorporated by reference into these comments.

The proposal does not appear to have changed substantially, with many details regarding the proposal to be developed in the Specific Plan that would be prepared in the future. The phasing plan continues to propose that Spanish Springs North Ranch develop in phase one even though it is the property furthest from the City Limits (Phasing Plan Map 1-19). Table I-3 on page I-26, however, shows a different phasing plan. Also, the Draft EIR continues to promote the processing of the Sphere of Influence Update and Annexation concurrently. LAFCO has been clear throughout this process that the SOI should be updated first and then an annexation application consistent with the updated SOI could be submitted for consideration. The Draft EIR continues to use groundwater (Indian Knob 40 afy - 50 afy - Pismo Creek 70 afy) as a way to serve project components. Also, a 500 afy allocation of State Water is to be obtained from the County or other purveyor sometime in the future.

### **Project Description is Inadequate**

In reviewing the Draft EIR at the October 21, 2010 study session, the Commission found the Project Description inadequate and is lacking detailed information in several areas, including; documentation regarding the water supply, conflicting information about phasing, inadequate information regarding how infrastructure such as roads and wastewater facilities would be funded and eventually constructed, and inconsistent proposed General Plan policies regarding concurrent consideration of the SOI expansion and Annexation. The Specific Plan is intended to be drafted after comments are received regarding the Draft Program EIR. The Specific Plan should contain more detailed information regarding the funding, approval process and construction of the infrastructure and public facilities needed to support the project. A fiscal analysis and plan should be included to detail how capital improvements would be financed and when these improvements would be built. The Draft EIR and Draft Specific Plan should then be re-circulated for review and comment.

### **LAFCO Process**

One of the stated purposes of the Draft Program EIR is to address the environmental impacts associated with the Sphere of Influence boundary change and annexation of the Price Canyon Specific Plan concurrently. LAFCO Staff recommended in NOP comments that the SOI be updated first and then an annexation application submitted for consideration. In this way, the Developer and the City would know with some certainty what areas might be considered for annexation into the City. Also, more detailed information is needed to consider an annexation; particularly one of this size and complexity. The Draft EIR does not appear to have adequate and/or specific information about the timing and availability of critical infrastructure and resources in order for LAFCO to use it as the CEQA documentation for an annexation. The annexation proposal would need to include more detailed environmental information from the CEQA documents prepared for the other components of the project; i.e. Tract Maps, Development Plans, or other land use entitlements that require CEQA analysis. Also, the Plan for Services should detail how the area is to be served and how these services will be funded.

For example, State Water is planned to be used to serve the proposal. However, at this point in time, the plan for obtaining State Water is at the conceptual stage and the allocation has yet to be negotiated with the County or other purveyor. Purchasing a State Water allocation is an involved process that will take time and commitment of financial and staff resources. These steps are discussed later in these comments. At this point in the process the water supply would not be considered an "adequate, reliable, or sustainable" water supply because it is in the very early planning stages and is essentially "paper water". The same could be said for the reclaimed water supply to be used to recharge Pismo Creek which is in the planning stages as well. A long-term adequate, sustainable and reliable water supply that is available should be clearly documented by the City. LAFCO has considered and approved previous City and District annexations based on this clearly stated policy regarding water.



These are expensive and complex public projects (water, wastewater upgrades and road improvements) that have a number of details to be worked out, including financing, obtaining entitlements and approvals, and the construction of infrastructure. Typically, these details have been worked out by the jurisdiction and proponent prior to an annexation. The Sphere of Influence requires less detailed information, but would be established based on the documentation found in LAFCO's Municipal Service Review.

The project description (page I-1) indicates that the purpose of the Draft EIR is to assess the impacts of the General Plan Update, SOI Boundary change, the annexation and Specific Plan. The City proposes two General Plan policies in regard to LAFCO processing:

- LU-R-43 calls for the concurrent processing of the GP Update, SOI, Annexation and Specific Plan.
- LU-R-45 calls for a more step by step process with the SOI being considered first and separate land use approvals (and CEQA documentation) occurring for different properties.

These two policies appear inconsistent with each other and should be clarified. LU-R-45 would appear to be more consistent with the LAFCO process.

## **WATER**

The plan for water proposed in the Price Canyon Specific Plan Draft Program EIR calls for a combination of sources including groundwater, reclaimed water, and State Water. The State Water Project would be used for domestic uses and supplemented with groundwater extraction from the Pismo Creek through a recharge and recovery program that would include recycled water from the wastewater treatment plant. The Indian Knob groundwater basin would be used to supply the water needs for irrigation of vineyards, landscaping, and uses on the North Ranch. Components of an SB 610 Water Supply Assessment are found in the Draft EIR, but a separate document that meets the intent and requirements of SB 610 has not been prepared as part of the Draft EIR as required by State Law.

For projects over 500 units, SB 610 requires that each source of water supply be carefully documented as to its availability and reliability with either groundwater reports or contracts that have been entered into by the water provider for a particular source. The assessment must cover a 20-year projection of water demands and supplies including existing and planned water users. SB 610 has specific criteria that if followed would lead to a water supply assessment that clearly documents the sources of supply for a specified project demand. Under SB 610, for a new source of water to be considered, the water supply assessment must document that the water purveyor has secured water rights, can obtain capital funding for infrastructure and can identify and secure the required regulatory approvals. Once completed the Water Supply Assessment and Draft EIR should be re-circulated for public review and comment.



**State Water.** While in concept obtaining water from the State Water Project (SWP) may appear viable, there are several significant challenges to be met before this water supply becomes a reality. The Developer has just started the involved process to determine if SWP is a feasible water supply for this project. Numerous steps need to be completed to obtain the additional 500 afy of State Water allocation from the San Luis Obispo County Flood Control and Water Conservation District (District) and the Central Coast Water Authority. Before doing so, the Countywide Master Water Plan must be completed pursuant to existing policy of the District's Board of Supervisors. The District is in the process of updating the plan. The estimate for completing the Master Water Plan is 2011. As part of those efforts, the District is in the process of completing a system capacity study that will determine if any excess pipeline capacity is available or if pipeline constraints need to be addressed to further improve capacity before additional SWP can be allocated to any jurisdiction.

After the capacity study is completed the District/Board of Supervisors would then consider and adopt policies to guide the Board in determining which jurisdictions might receive a portion of the District's SWP allocation that is currently unused. In addition, negotiations with the Central Coast Water Authority and the California Department of Water Resources would determine how much SWP is available and the buy-in costs/options for SW. The final step would be a revised contract negotiated between the City, the District, the Central Coast Water Authority and the California Department of Water Resources. Each of these steps are extensive and the outcome is, at this point, uncertain.

Another option that recently came to light is the City and Developer negotiating with the Carpinteria Valley Water District to purchase an allocation of State Water. Those negotiations are just now getting underway. Some of the same steps discussed above would apply to this State Water being transferred to the City of Pismo Beach.

A section of the EIR evaluates acquiring additional State Water resources for use by the project. EIR - page V-B7 requires that State Water financing would come from the developers and then the City would commit to acquiring the water from the District or other purveyor. This would apparently occur after annexation; however to make State Water a sustainable, reliable, and adequate water supply consistent with LAFCO policy (and SB 610) this supply (wet water) should be in place prior to any annexation. This is the standard that has been applied to other annexations by LAFCO.

**Reclaimed Water.** The process to develop a reclaimed water supply for recharging the Pismo Creek groundwater resource is also in the early stages. The necessary steps to produce a recycled water program include implementing the financing mechanisms to facilitate construction, upgrading the Wastewater Treatment Plant, and infrastructure construction. Input and approvals from Regional Water Quality Control Board would also be needed for such a program. The reclaimed water is expected to come on-line in phase two of the project. It is unclear what costs of upgrading the plant and constructing the distribution system would be.



**Groundwater Resources.** The project proposes to use groundwater from the Indian Knob groundwater basin and the Pismo Creek Alluvium Groundwater. LAFCO's letter sent by the Chairman of the Commission, David Brooks in January 2009 letter stated the following:

*In light of the recently denied Los Robles Del Mr proposal, it is very important that water resources be studied in a comprehensive manner that clearly articulates the water supply situation. This is particularly the case with regard to the use of groundwater as a possible supply. Using groundwater as a significant source of water for the project would likely trigger a repeat of the Los Robles Del Mar situation. That path is not preferable and would likely create a controversial and intense debate over water resources in the area.*

The Draft EIR spends considerable resources in studying the use of groundwater as a supply for this proposal. The Indian Knob Basin would be limited to pumping 40-50 afy and Pismo Creek to 70 afy. The proposal states that 75 afy is currently being pumped from the aquifer for agricultural use. The Oak Park Basin which is under the Los Robles Del Mar site was previously considered by the Commission as inconsistent with LAFCO's water policy. The proposal has stated that the Oak Park aquifer is not intended for use. It should be noted that the Godfrey Ranch has four (4) existing deep formation wells and Spanish Springs South Ranch has two (2) existing deep formation wells that could draw from the Oak Park aquifer. Mitigation that would cap and eliminate the use of the wells into the Oak Park aquifer should be developed and applied. The Draft EIR requires mitigation that limits the pumping of the Indian Knob aquifer to 40-50 afy. Spanish Springs North Ranch has six (6) existing wells that could draw from this basin. The Draft EIR also limits the pumping of Pismo Creek to 70 afy during the wettest six months from December to May. Spanish Springs South Ranch has six (6) existing wells that could draw from this water supply.

**Conclusion.** At this point in time, the Commission determined that the proposed water supply for this project is speculative and requires more development before the supply situation would be considered adequate, sustainable, and reliable under LAFCO Policy. This factor would be considered when evaluating the Sphere of Influence for expansion. Negotiations for State Water should be completed and contracts in place prior to any annexation being considered. The City should be well along the process of upgrading the wastewater treatment facility to consider reclaimed water as a source of water for recharging the creek. The use of groundwater should be minimized or eliminated to reduce the possibility of future adjudication and conflicts with existing water users.

## **Agricultural/Open Space Resources**

A total of 448 acres would be zoned agricultural with 280 acres planned for vineyards. The Draft EIR indicates that a total of 73.5 acres of prime agricultural soils is within the Specific Plan area with an additional 124 acres of planted vineyards. An additional 91 acres qualify as local potential farmland. Establishing this type of agricultural use in a City would be precedent setting for LAFCO. City's are where urban growth and development are guided



by LAFCO. Agricultural land is best preserved and maintained in unincorporated areas due to the eventual pressure placed on agricultural land to develop within a City's urban area.

It does appear that the proposal could meet the LAFCO 1:1 mitigation ratio of preserving 99 acres of prime farmland. What would help in making this determination is a clear and concise statement with a map showing the area for future preservation. Additional agricultural operations would continue on the Big Bird property however the amount and type are not specified. Grazing currently occurs throughout the planning area. It is unclear if grazing activities will continue. The concept for preserving the agricultural and open space land is to have a contractual agreement between the landowner, City, and a third party (such as a conservation organization) to ensure protection of the land in perpetuity. The Draft EIR proposes a General Plan Policy that would require existing and planned vineyards to be permanently preserved using a conservation easement; however, the mitigation measures identify specific lots that do not appear to include all of the areas planned for vineyards. The timing of these easements is intended to occur with final tract map recordation. Tract maps may be recorded as final over 20+ years depending on if a map is in phase one, two, three or four of the development. It appears that easements for North Ranch would occur in phases one and two. Easements for South Ranch are planned to be completed in phases three and four.

The Draft EIR proposes zoning 466 acres in Open Space with approximately 300 acres to be preserved through conservation easements. The Draft EIR does not appear to require easements on the Loughhead and Big Bird properties. Habitat easements with regard to the Pismo Clarkia and Lupine are to be mapped and recorded in the future. The Pismo Creek corridor is intended to be placed in a conservation easement. LAFCO normally requires that properties be placed in conservation/habitat easements prior to the annexation being completed. This should be added as mitigation.

### **Land Use Pattern/Urban Sprawl**

The proposal would change the character of the Price Canyon corridor and add low density large lot development throughout the 1,700-acre area. In previous comments LAFCO has stated that this appears to be a project that encourages urban sprawl. The project has not been significantly changed in terms of the proposed land use pattern and phasing to alleviate this concern. The potential for preserving about 950 acres in open space and agricultural lands presents a significant benefit and is consistent with LAFCO policies. Also, please see the County Planning Department's letter submitted at the Study Session which further details the issues with the Land Use pattern that should be addressed in the EIR.

**Phasing of Development.** The project is anticipated to be completed in four phases. The Phasing Plan promotes a leapfrog development pattern that has been pointed out in prior LAFCO comments. North Ranch continues to be considered for development in phase one (Phasing Map I-19). North Ranch would include 44 five-acre lots and a 40-unit hotel. These would be served using groundwater from Indian Knob basin and would be on septic



wastewater systems. It would appear that this part of the development should remain in the County as it is rural development that does not require urban services. Phasing the development in such a manner that the properties closest to the City are developed first would be a more logical and orderly way to proceed.

Also, the Draft EIR shows two different phasing plans; one on map I-19 found on page I-56 and the other in Table I-3 on page I-26. The phasing plan map shows the Big Bird property as being developed in phases three and four. Table I-3 shows parts of Big Bird being developed in phases one, two, three, and four. Which phasing plan is applicable should be clarified in the EIR.

**Infrastructure Financing and Timing.** A number of major infrastructure improvements would be required to facilitate the Price Canyon Specific Plan including: Inland Arterial, wastewater treatment plant upgrades for recycled water program, SWP and associated water lines, local streets and trail/bikeways. The framework for developer agreements, necessary financing, responsibilities and timing to complete these infrastructure improvements has not fully been discussed. For such a complex project with many major capital improvements a complete fiscal analysis should be completed prior to annexation. A chapter should be included in the Draft Specific Plan that details infrastructure improvements, financing and timing.

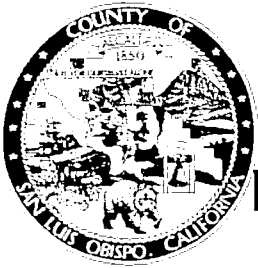
## CONCLUSION

The Draft EIR is intended to be used to develop and prepare a specific plan for this area. Based on analysis of the Draft EIR, it is not recommended that it be used by LAFCO for consideration of an annexation. It may be used to assist in the evaluation of the Sphere of Influence; however LAFCO retains discretion in determining the SOI. Inconsistencies in the Draft EIR should be corrected in the Final EIR.

The lack of a well documented water supply that is reliable, sustainable and adequate is a key finding from the review of the EIR. The phasing plan promotes urban sprawl and is not consistent with LAFCO policies regarding leapfrog development and promoting logical and orderly growth. Also, the economic feasibility of developing this type of project in the City over the next 20 years is unclear. It would appear that there are financial constraints that may hinder the development of this project.

A better approach would be for the City to obtain an adequate, sustainable, and reliable water supply and then apply for annexation as other jurisdictions have done to comply with the LAFCO policy. Also, properties currently in the City's existing Sphere of Influence (Big Bird, Loughhead and Los Robles Del Mar) which are closest to the City, should be developed first, before other properties to the north are developed. This would be a more logical and orderly way to approach future expansion of the City. LAFCO staff has prepared and submitted this comment letter highlighting many of the points found in the October 21, 2010 Staff Report and the comments received at the Study Session.





SAN LUIS OBISPO COUNTY

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## DEPARTMENT OF PLANNING AND BUILDING

October 19, 2010

David Church, Executive Officer  
San Luis Obispo LAFCo  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Dear David,

SUBJECT: PRICE CANYON PLANNING AREA SPHERE OF INFLUENCE CHANGE,  
ANNEXATION, SPECIFIC PLAN, AND MOA

Thank you for the opportunity to comment on the proposed Price Canyon Planning Area Sphere of Influence change, annexation and memorandum of agreement. We also appreciate your efforts to facilitate ongoing discussions between the City, County and LAFCo staff on these matters.

In order to evaluate the proposed Sphere of Influence change and annexation against County policies, we have reviewed the proposed Price Canyon Planning Area Specific Plan, as described in the *Draft Environmental Impact Report, Price Canyon Planning Area General Plan Update, SOI Change, Annexation and Specific Plan*. Most of our comments relate to the proposed Specific plan, as many of our concerns lie more with the proposed pattern of development than the proposed Sphere of Influence boundaries. Nevertheless, we do have a concern about the extent of the proposed Sphere of Influence.

We recognize the challenges inherent in planning for the Price Canyon area due to the difficult terrain, other environmental constraints and the City's objective of providing an inland arterial. We also recognize the City's other objectives, including a focus on visitor-serving uses. Nevertheless, in our view, the Specific Plan misses opportunities to provide a more compact development pattern, a more walkable and transit-oriented community, a range of compact housing options, and a better variety of head-of-household jobs.

The County General Plan (in Framework for Planning of the Land Use Element, Chapter 4, Public Service Considerations) states that expansion of Spheres of Influence should address a number of criteria for expanding urban and village reserve lines. Among those criteria are the Planning Principles and Policies that encourage strategic growth, a cornerstone of the County's vision for future growth and development. According to the County General Plan, strategic growth is a "compact, efficient and environmentally sensitive pattern of development that provides people with additional travel, housing and employment choices."

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In our view, the proposed Specific Plan is largely inconsistent with the County's strategic growth principles and policies, as follows:

*Principle 8: Take advantage of compact building design*

The proposed development would not be compact, and its proposed overall density of only one dwelling unit per acre is not conducive to transit and walkability. Strategic growth Principle 8, Policy 1 is to "develop compact neighborhoods that contain residential uses that are affordable by design and efficient in land and energy consumption." The proposed Specific Plan does not meet that criterion, as nearly the entire amount of residential acreage is devoted to 1-10-acre lots (Spanish Springs North Ranch) and standard-sized single-family lots (most of the remaining residential areas).

*Principle 2: Strengthen and direct development toward existing and strategically planned communities*

The proposed project phasing is inconsistent with Policy 1 to phase urban development in a compact manner, first using vacant or underutilized "infill" parcels and lands next to or near existing development. Contrary to this policy, the Specific Plan shows the most remote and rural development (Spanish Springs North Ranch) in the first phase. In addition, some of the proposed development that is closest to existing development, including proposed multi-family units, is included in later phases.

*Principle 4: Create walkable neighborhoods and towns*

The proposed low density development pattern and long roadway distances needed to connect the development areas together are not conducive to walkability. This is also inconsistent with Policy 2, which is to plan for maximum connectivity between different land uses through walkways or other means, as most of the proposed development areas are not within convenient walking distance to existing or proposed commercial uses and transit.

*Principle 5: Provide a variety of transportation choices*

The proposed low densities of development--about one dwelling unit per acre overall--are not conducive to supporting transit service. According to the Air Pollution Control District, a minimum residential density of seven dwelling units per acre is needed for effective bus service. As a result, the proposed project would result in a significant unavoidable impact on air quality per the *Draft Environmental Impact Report, Price Canyon Planning Area General Plan Update, SOI Change, Annexation and Specific Plan*.

*Principle 6: Create a range of housing opportunities and choices*

The project description appears to plan for a variety of housing types; however, upon closer review of the proposed multi-family development standards and the site plans of the proposed multi-family development areas, the options for higher-density housing appear more limited. For example, the proposed multi-family standards enable detached housing, minimum lot sizes and other standards that would appear to translate into only moderate densities. As a result, it appears that the project misses opportunities to offer a greater range of housing choices that are affordable to people with a variety of income levels (Policy 2).

Another important County General Plan criterion for proposed urban expansion is to improve the regional or sub-regional jobs/housing balance. In that regard, we commend the Specific Plan's nearly 1:1 ratio of jobs to housing. However, in our view, the Specific Plan could provide greater opportunities for generation of head-of-household jobs. For example, besides uses that result in service-related jobs, the Specific Plan could consider Commercial Service-type uses such as a commerce parks and offices and uses that could provide opportunities to serve growing markets for desirable industries. This could be economically beneficial for the City and the region.

In conclusion, the Specific Plan is inconsistent with the strategic growth objectives of the County General Plan. In that regard, the Spanish Springs North Ranch is most problematic for inclusion in the Sphere of Influence. We also have reservations about the Godfrey property being included in the Sphere at this time based on the proposed Specific Plan. However, our Department is interested in continued dialogue and cooperation with the City, and is willing to work with the City to see our mutual concerns addressed in the MOA. Based on our concerns, as well as the concerns expressed by LAFCo staff regarding availability of supplemental water, we recommend that annexation of the Price Canyon area be deferred until the water situation is resolved and an MOA is negotiated.

Sincerely,

CHUCK STEVENSON, AICP  
Division Manager, Long Range Planning

## Exhibit B – Detailed Comments

The following comments are offered with the understanding CEQA § 15204 requires public agencies to focus on the sufficiency of the document and provide suggestions to analyze and/or provide better ways to avoid or mitigate the environmental effects. One of the basic purposes of the Draft EIR is to be used in a Sphere of Influence change and possible future annexation thereby involving LAFCO as a Responsible Agency CEQA § 15096. It is LAFCO's inclination the City will consider LAFCO's comments and provide a reasonable response per CEQA § 15088. After the comments are considered and addressed LAFCO would expect the Draft EIR to be re-released per CEQA § 15088.5 for public review along with the Price Canyon Specific Plan and SB 610 Water Supply Assessment.

**Page I-15; EIR Statement:** LAFCOs approval of the 2002 SOI/SOS and MOA acknowledge the lands within the spheres are intended to accommodate growth and urban standards within a 20-year timeframe.

### COMMENT:

The EIR should include and address LAFCOs Sphere of Influence Review Policies and General Policies along with an analysis to better understand rationale for adding properties to the SOI.

Although spheres recognize the potential for urban expansion the manner, timing, and necessary resources and infrastructure associated with future growth needs to be thoroughly analyzed for consistency with LAFCO policies.

**Page I-15; EIR Statement:** LAFCO identified several critical resources and infrastructure needs including; water supply, wastewater capacity, and circulation.

### COMMENT:

LAFCO has identified and requested that numerous other resources and issues to be analyzed throughout this process. Please refer to our previous comment letters dated January 27, May 13, and October 9, 2009. In addition, to the comments from LAFCO's October 21, 2010 Study Session and this comment letter should address the concerns identified by LAFCO regarding the Price Canyon Specific Plan project.

**Page I-16; EIR Statement:** The proposed General Plan Policies are intended to achieve LAFCOs objectives and implement "Smart Growth" Principals for sustainable communities.

### COMMENT:

The following General Plan Policies are discussed below:

**Page I-17 – LU-R-11 Reclaimed Water use in Pismo Creek.** The EIR has not adequately quantified the sustainable storage and extraction capabilities before identifying this water source as a viable, sustainable, reliable water source as the General Plan policy suggest should happen.

**Page I-18 – LU-R-7 AG Preservation.** LAFCO agrees with the need to preserve existing and planned agricultural/ open space zoned lands with a permanent conservation easement. The EIR should provide details of how and by what mechanism or organizations will the permanent contract be negotiated with, how it will work, and the timing of such easements.

**Page I-19 – LU-R-9 Habitat Resources/Open Space.** Similar to the preservation of Agricultural resources, the EIR should discuss in detail the mechanisms/mitigations to permanently protect all the remaining undeveloped land within the planning area.

**Page I-22 – LU-R-43 Specific Plan Required.** This policy is not consistent with LAFCO policies and should be modified to be consistent with LU-R-45.

**Page I-23 – LU-R-45 SOI/Annexation.** LAFCO agrees the SOI should be considered first, and if approved an annexation may be considered by LAFCO. Throughout the EIR it is suggested the SOI and Annexation would proceed concurrently. Also see our other general comment to this topic regarding preferred LAFCO Process.

**Page I-24 to I-29; EIR Statement:** The proposed land use pattern for each property.

**COMMENT:**

The EIR does not include a Land Use Section to fully discuss the land use pattern and analyze the projects objectives to implement “Smart Growth” Principals for sustainable communities. The EIR should describe and analyze the “Smart Growth” strategies proposed by the project for each conceptual site plan by property. Also see the County Planning Department’s comments regarding Strategic Growth which are attached to this exhibit.

**Page III-2; EIR Statement:** LAFCOs preparation of the 2002 SOI/MSR.

**COMMENT:**

The 2002 SOI/MSR is eight years old and is in the process of being updated. An updated MSR is currently underway that better describes the City’s service

capabilities and growth potential/needs. LAFCO no longer uses the Sphere of Service boundary. LAFCO Policies eliminated the Sphere of Service as a 10-year planning boundary. Only the Sphere of Influence boundary is applied to jurisdictions and it is a 20-year planning boundary LAFCO Policy 2.6 (6).

**Page III-7; EIR Statement:** Listed LAFCO Policy consistency.

**COMMENT:**

Several key policies were omitted from the discussion, including all of LAFCO Policies regarding the SOI review. In addition, the policies listed are not numbered or referenced to LAFCO's Policies making it more difficult to compare. It appears that the Draft EIR selected some LAFCO policies while not discussing others. All LAFCO Policies should be included and addressed in the EIR.

**Page III-8; EIR Statement:** LAFCO Policy consistency regarding housing and land use.

**COMMENT:**

More analysis should be provided that discusses the projects ability to meet "Smart Growth" Principals. The EIR should analyze the project description with LAFCO Policies to provide a more compact development pattern to avoid urban sprawl, a community with a range of housing options, and the creation of job opportunities.

**Page III-8; EIR Statement:** Water supply is addressed in the Technical Analyses.

**COMMENT:**

See previous comments regarding Water.

**Page III-8; EIR Statement:** LAFCO Policy consistency regarding agriculture.

**COMMENT:**

LAFCO determines consistency with all LAFCO policies.

**Page IV-B16; EIR Statement:** Significance Criteria when determining impacts.

**COMMENT:**

The EIR does not discuss LAFCO policy consistency for proposals involving agricultural resources. The EIR simply re-states the LAFCO policy, but does not

include an analysis or provide a significance threshold if the proposal is found inconsistent with any of the policies.

**Page IV-B29; EIR Statement:** Mitigation Measure AG-1; Preserving AG consistent with LAFCO policies.

**COMMENT:**

Lots SR13, 38, 39, 40, and 41, lots BB2, and lots PCI 74, & 75 should be included in establishing a permanent conservation easement. These lots were not included in the proposed mitigation. Also, the question of timing for the conservation easement should be addressed. These should be in place prior to annexation.

**Page V-A21; EIR Statement:** Significance Criteria for Groundwater.

**COMMENT:**

The EIR should include the following thresholds for measuring impacts to groundwater. 1) Increase in groundwater consumption when an overdraft condition exists or proposed use creates a deleterious condition for nearby users in the same basin, 2) Interference with other wells is caused by pumping.

**Page V-A29; EIR Statement:** Groundwater Mitigation.

**COMMENT:**

The EIR should include the following mitigation: All existing on-site groundwater wells within the Oak Park Aquifer shall be capped and deed restricted such that no new wells could be created and the aquifer would not be used. If existing wells are intended to be used for agricultural purposes only, then meters shall be installed and a limit set for their use to not impact existing users.

**Page V-B2; EIR Statement:** 2004 SOI/MSR.

**COMMENT:**

The SOI/MSR was conducted and approved in 2002. Also see previous comment for Page I-15.

**Page V-B11; EIR Statement:** LAFCO Water Policy 18.

**COMMENT:**

Please note the “agency” (City of Pismo Beach) is responsible for demonstrating an adequate, reliable and sustainable supply of water. Passing this responsibility onto the developer requiring the landowners to bring water with their project invites a missed opportunity for the City to comprehensively address water resources. SB 610 requires the water purveyor (City) to prepare and adopt the water supply assessment. CEQA § 15155 also requires a water supply assessment.

**Page V-C2; EIR Statement:** LAFCO may use the EIR for the SOI/MSR update if the EIR evaluates LAFCO policies and procedures along with all environmental impacts.

**COMMENT:**

See previous comment regarding adequacy of the EIR for LAFCO’s use.

**Page V-E4; EIR Statement:** LAFCO General Policy 1; balancing all needs.

**COMMENT:**

The EIR states a separate Fiscal Analysis document has been prepared for the Price Canyon General Plan Update. Please provide a copy to LAFCO.

**Page V-F3; EIR Statement:** LAFCO’s denial of LRDM.

**COMMENT:**

The EIR should provide the reader with all of the findings for denial which include 1) The water supply proposed was found inconsistent with LAFCO Policy 17. 2) Based on the current City policies the City would not serve LRDM from existing water supplies in that a supplemental water source would be required. 3) Use of Oak Park aquifer by Pismo Beach would have infringed on existing users.

**Page V-F9; EIR Statement:** General Plan policies are proposed to address LAFCO policies.

**COMMENT:**

See comment Page I-16 regarding General Plan policies proposed.

**Page VII-4; EIR Statement:** Alternatives Analyzed.

**COMMENT:**

The same level of analysis was not given for each of the Alternative studied. The EIR makes generalized statements the impacts would not change or the Alternative is dismissed for not meeting a project objective. LAFCO would request a detailed analysis be provided for each Alternative such that a decision maker could consider a combination of components as the superior project and the EIR would have fully analyzed these impacts.

The following Alternative should be discussed:

- Existing SOI developed with a new phasing plan.
- Addition of Godfrey only under the new phasing plan.