

# CHAPTER 2

## ATASCADERO – SPHERE OF INFLUENCE UPDATE

---

### INTRODUCTION

This Sphere of Influence (SOI) Update chapter is prepared for the City of Atascadero and is based upon the following Municipal Service Review (Chapter 3) that analyzes the City's capability to serve existing and future residents. The SOI Update and Service Review were prepared to meet the requirements of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH). The fundamental role of the Local Agency Formation Commission, LAFCO, is to implement the CKH Act, consistent with local conditions and circumstances. LAFCO's decisions are guided by the CKH Act, found in Government Code 56000, et seq. The major goals of LAFCO include:

- Encouraging orderly growth and development which are essential to the social, fiscal, and economic well being of the state;
- Promoting orderly development by encouraging the logical formation and determination of boundaries and working to provide housing for families of all incomes;
- Discouraging urban sprawl;
- Preserving open space and prime agricultural lands by guiding development in a manner that minimizes resource loss;
- Exercising its authority to ensure that affected populations receive efficient governmental services;
- Promoting logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide necessary services and housing;
- Making studies and obtaining and furnishing information which will contribute to the logical and reasonable development of local agencies and shaping their development so as to advantageously provide for the present and future needs of each county and its communities;
- Establishing priorities by assessing and balancing total community services needs with financial resources available to secure and provide community services and encouraging government structures that reflect local circumstances, conditions, and financial resources;
- Determining whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary, consider reorganization with other single purpose agencies that provide related services;
- Updating SOIs every five years or as necessary (effective January 2001); and
- Conducting a review of all municipal services by county, jurisdiction, region, sub-region or other geographic area prior to, or in conjunction with, SOI updates or the creation of new SOIs.

To carry out State policies, LAFCO has the power to conduct studies, approve or disapprove proposals, modify boundaries, and impose reasonable terms and conditions on approval of proposals. Existing law does not provide LAFCO with direct land use authority, although some of LAFCO's discretionary actions consider land use in the decision making process. LAFCO is expected to weigh, balance, deliberate, and set forth the facts and determinations of a specific action when considering a proposal.

An important tool used in implementing the CKH Act is the adoption of a Sphere of Influence (SOI) for a jurisdiction. A SOI is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI represents an area adjacent to a city or district where a jurisdiction might be reasonably expected to provide services over the next 20 years. This chapter, along with the following Municipal Service Review, provides the basis for updating the City of Atascadero's Sphere of Influence, which is required to be updated every five years.

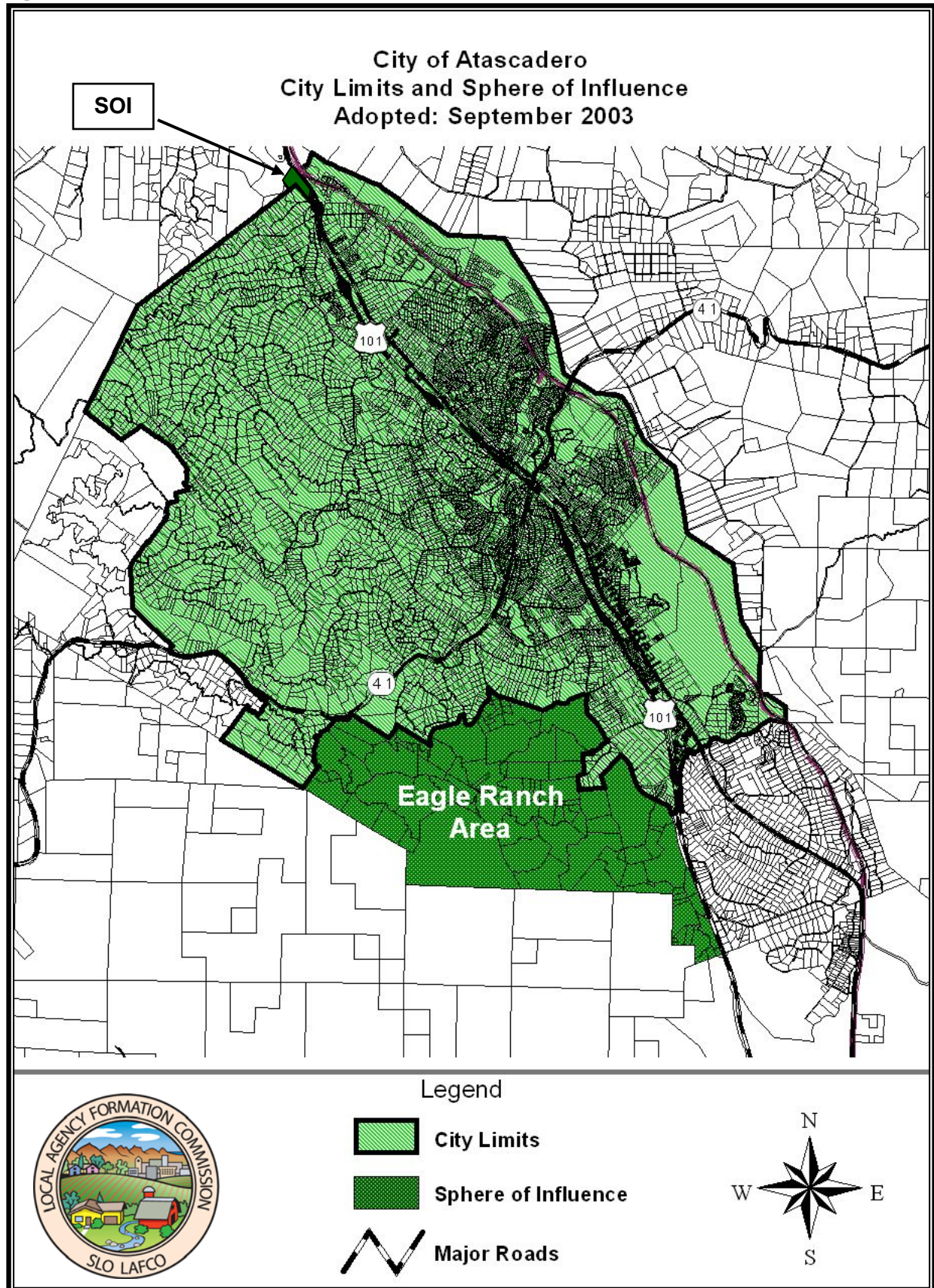
This Sphere of Influence Update chapter addresses the key factors called for in Cortese/Knox/Hertzberg Act by referring to information contained in the Service Review. Also, the following written determinations must be addressed according to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act:

- Present and planned land uses in the area, including agriculture, and open space lands;
- Present and probable need for public facilities and services in the area;
- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and
- Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

## **EXISTING SPHERE OF INFLUENCE**

The City's existing Sphere of Influence is approximately 3,500 acres beyond the City limits and includes two areas: Eagle Ranch 3,500 acres, and North San Ramon 5 acres. The map on the next page shows the existing Sphere of Influence of the City. Within the existing Sphere of Influence the Eagle Ranch Specific Plan is underway.

Figure 2-1 - Atascadero's SOI



## SPHERE OF INFLUENCE STUDY AREAS

For study purposes, the City of Atascadero and LAFCO staff prepared a map that included the two existing SOI properties to be reconsidered as the Study Areas for the Sphere of Influence. The Study Areas are used to help analyze and identify which properties should remain and which should be excluded from the Sphere of Influence. A summary of the Study Areas are listed in the table below:

**Table 2-1: City of Atascadero Study Areas**

Study Area	Description	Acres	Existing Zoning	Prime AG Land	Constraints
1	N. San Ramon	5	Agriculture	No	Unknown
2	Eagle Ranch	3,500	Agriculture	Yes	AG Land, Fire Haz.
	Totals	<b>3,505</b>			

The Study Areas are described in more detail on the following pages and include: a map that focuses on the particular area, the recommendation made LAFCO Staff and the recommended MOA. The discussion addresses the size and location of the area, current zoning, possible City zoning for each area and other relevant information. Also included is a staff recommendation for each area based upon the information in Chapter 3, Municipal Service Review, information provided by the City and County.

The following properties were not considered for addition into the Sphere of Influence due to owners request, resource constraints, land use issues, and/or infrastructure constraints.

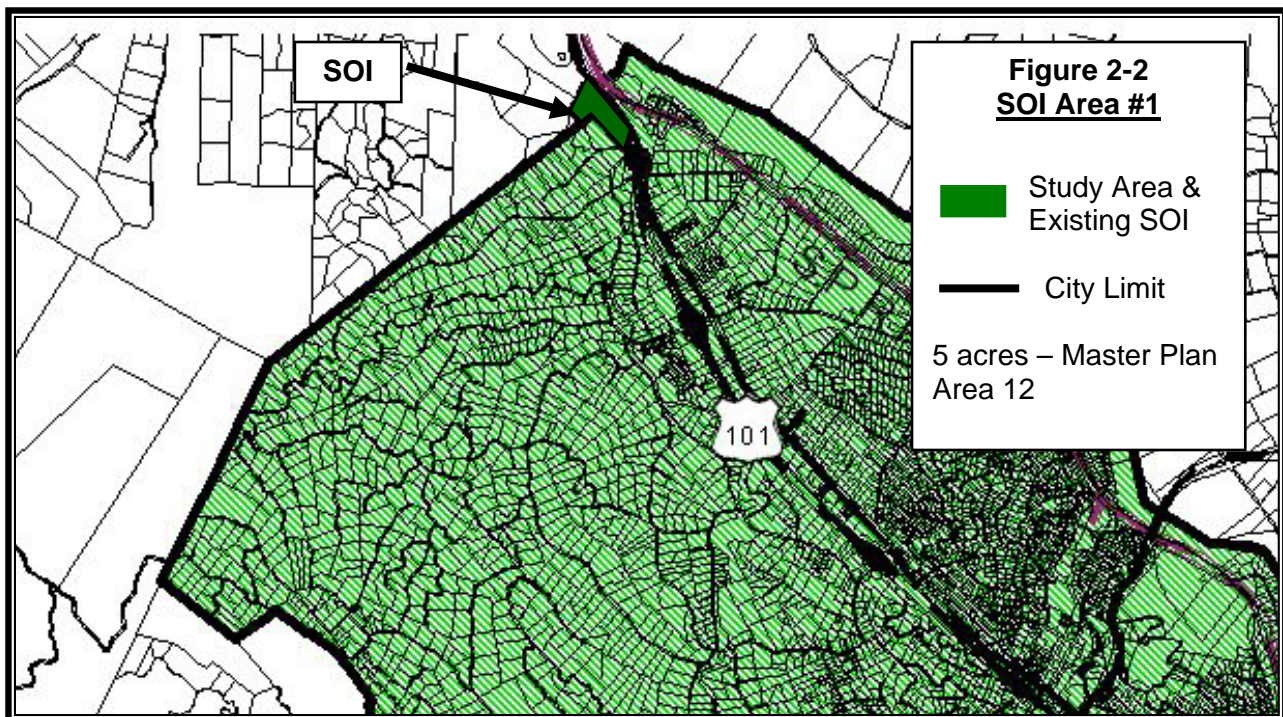
### **1. Random Oaks (Located in SLO County; Not within the SOI)**

This area is located north of Garden Farms between El Camino Real, Santa Barbara Road, and Atascadero east of Hwy 101. These lots are considered part of the Atascadero Colony envisioned by E.G. Lewis in 1914. The Random Oaks area contains approximately 2,081 acres and 743 existing residences. It is located in the County and designated "Residential Suburban" with a High Fire Hazard designation. The City of Atascadero General Plan does not envision annexing this are and specifically states the City would oppose adding this area or allowing increased intensity and density by the County.

**SOI Area #1 – North San Ramon (Located in SLO County; Presently within SOI)** This parcel is located north of the City and west of Highway 101. The City requires the approval of a planned development and master plan of development prior to supporting any LAFCO annexation request of property.

**City/County Draft MOA.** This area should continue to be included in the SOI

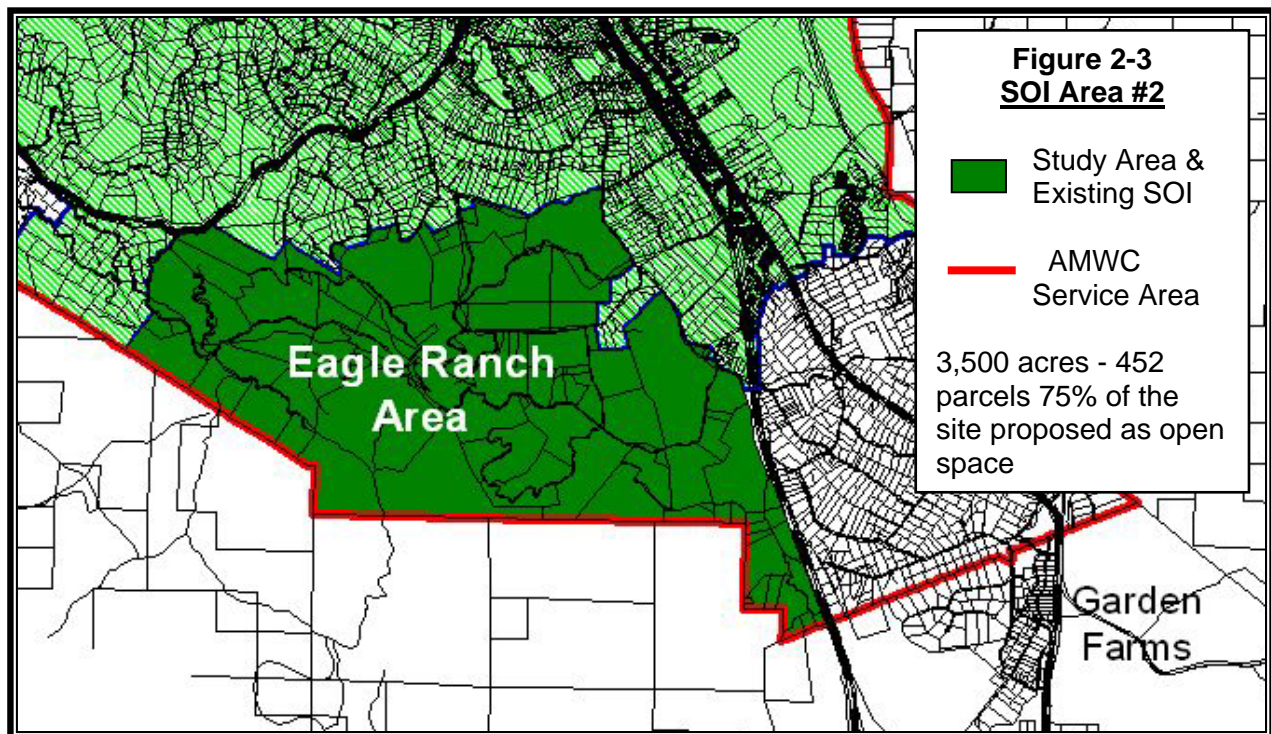
**LAFCO Staff Recommendation.** The SOI should continue to include Area One. A Specific Plan and General Plan Amendment would be required to be considered and approved by the City. This area would provide a logical extension of the City's boundaries. The City's Land Use and policies and standards would manage development proposed in this area. A Specific Plan and Environmental documentation would be prepared by the City and more flexibility in preparing a Plan. The City is capable of providing services needed to serve the area. The City has policies that require the developer to pay for infrastructure improvements and other needed facilities and resources.



**SOI Area #2 – Eagle Ranch area (Located in SLO County; Presently within SOI).** The Eagle Ranch covers the undeveloped 3,500± acre area adjacent to Atascadero’s southern boundary. The City intends to prepare a Specific Plan that would provide a clustered development pattern that would preserve approximately 75% of the site as open space to be utilized for agricultural activities and conservation. The Eagle Ranch area was in Williamson Act contract however the contract was not renewed in 2009. The majority of the site is part of the Historic Atascadero Colony which contains approximately 452± undeveloped Colony lots of record. These are legal lots that have certificates of compliance. The site is characterized by sloping, oak covered hillsides and many areas with extremely steep, mountainous terrain.

**City/County Draft MOA.** This area should continue to be included in the SOI.

**LAFCO Staff Recommendation.** The SOI should continue to include Area Two. If the Specific Plan, General Plan Amendment and EIR being prepared by the City is approved, this area would provide a logical extension of the City’s boundaries. The City’s Land Use and Open Space policies and standards would manage development proposed in this area. The Specific Plan and Environmental Impact Report being prepared by the City would provide for the preservation of this area as open space and allows the City more flexibility in preparing the Plan. The development pattern would be significantly improved by clustering the lots into areas that have fewer environmental resources. The City is capable of providing services needed to serve the area. The City has policies that require the developer to pay for infrastructure improvements and other needed facilities and resources.



## Memorandum of Agreement

The City Council is scheduled to consider the Memorandum of Agreement (MOA) between the City of Atascadero and the County of San Luis Obispo in June 2011. The Board of Supervisors is scheduled to consider the MOA in July 2011. The Draft MOA is included with this report in Appendix B. The CKH Act requires that this agreement be given “great weight” by the Commission in making its decision regarding the update of the City’s SOI. The City and the County agreed upon the extent of the City’s Sphere of Influence, the provisions for developing the SOI and a referral area. The general approach of the MOA is to ensure close coordination and cooperation between the City and County on the future planning and development of the areas within the City’s SOI boundary. Key provisions of the MOA include the following:

- Future development of the Eagle Ranch area to meet certain provisions including;
  - a. Creation of walkable and bicycle friendly neighborhoods with logical connections and future transit opportunities if feasible.
  - b. Planning for a trail system to accommodate pedestrians, bicyclists and equestrians which connects to the existing community.
  - c. Development of a range of housing opportunities and choices.
  - d. A land use pattern that clusters development in a manner that reduces environmental impacts
- Preservation of agricultural land and open space.
- Referral of projects in the fringe area to the City and County;
- Fair distribution of mitigation/impact fees;

The MOA enhances the communication between the City and the County and helps to clarify the process for developing the SOI areas.

## Present and Planned Land Use

Parts of the Eagle Ranch area in the existing Sphere of Influence area are used for raising cattle. The land use designation applied by the County to the area is agriculture. The planned use for the area is the potential development of 452 original colony lots which have been certified by the County as legal lots. These 452 lots are scattered over a 3,500-acre area (Eagle Ranch) and are between 5 and 10 acres each in size. This existing pattern of development would promote the inefficient provision of public services, increase environmental impacts caused by development, discourage the preservation of open space and agriculture land and would further encourage urban sprawl in the area. The City's General Plan calls for inclusion of this area into the City under a Specific Plan. The Specific Plan would likely include a more clustered pattern, greater preservation of agriculture and open space, shorter utility lines and a more efficient circulation pattern.

The City of Atascadero has been working with the landowners to refine the various proposed land uses. In August 2010, the City initiated the processing of a joint EIR concurrently with the development of the project design and Specific Plan. The concurrent processing is intended to allow the incorporation of the studies and findings of the EIR into the early stages of the project design. A tentative project description and concept plan is being developed to begin the EIR process and continue the public discuss regarding how this property would be shaped.

The City does not have a limit on growth rate and a large portion of available development would occur on existing single-family zoned property were one unit per parcel is allowed. With the anticipated growth rate of 1.25% per year the City would reach build-out in approximately ten years. The Eagle Ranch area would increase the build-out potential by an estimated 500 to 800 units. In either case, the City of Atascadero has adequate potential for new residential housing. The table below summarizes the growth potential within the City and SOI areas.

**Table 2-2 Build-out Summary: Vacant Land within City plus SOI**

Area	Acres	Units	Population	Land Use
Residential MF – 20	32.41	362	941	HDR
Residential MF – 10	8.16	59	154	MDR
Residential SF – LSF-X	1.28	6	16	SFR-X
Residential SF – LSF-Y	16.29	42	109	SFR-Y
Residential SF – LSF-X	9.77	19	50	SFR-X
Residential SF – LSF-Y	60.27	63	164	SFR-Y
Residential SF – RSF-Z	70.18	48	125	SFR-Z
Residential SF– RS	1,767.71	395	1,027	RE
Commercial Professional	7.56	97	252	GC
Downtown Commercial	6.12	78	203	D
<b>Total Vacant Sites within City Limits</b>	<b>1,980</b>	<b>1,169</b>	<b>3,041</b>	
N. San Ramon	5	25	-	Agriculture
Eagle Ranch	3,500	500-800	1,300	Agriculture
<b>SOI Subtotal</b>	<b>3,505</b>	<b>525-825</b>	<b>1,365-2,145</b>	
<b>Total</b>	<b>5,485</b>	<b>1,694-1994</b>	<b>4,406-5,186</b>	

Source: City of Atascadero HE, Eagle Ranch Conceptual Project Description.

## Present and Probable Need for Public Services

The present need for public services in the proposed SOI area is minimal. The property's current use is for agriculture and open space purposes. Few structures exist on the property and only one residence, the former ranch house, is located on the property.

The property will likely need a higher level of public services in the future if the 452 Colony lots are developed as configured, utility lines and roads would be constructed throughout the 3,500-acre property. These 5 to 10 acre lots are spread out over a 3,500-acre area and will need public services regardless of if they are developed in the City or the County. If developed as currently configured the provision of public services would cause longer and more meandering roads, an extensive water pipeline system, longer emergency response times, and more mutual aid assistance provided by the City to an unincorporated area.

The Atascadero Mutual Water Company would provide water to the area whether it is developed in the County or City. AMWC has developed new water sources (Nacimiento) to serve the Eagle Ranch development. Chapter Three – Municipal Service review Factors contains information and written determinations regarding the City's ability to serve the proposed Sphere of Influence. Based on the information in that chapter, the City of Atascadero would be able to provide adequate levels of public services for the SOI area.

## **Social and Economic Communities of Interest**

The City of Atascadero has a variety of social and economic communities of interest, including numerous business, schools, churches, public sector facilities, and other Community Service programs. The development of the SOI should be a net benefit to the social and economic communities of interest.

The existing social fabric of the City would likely be positive, bringing in new families and economic buying power as well as possible transient occupancy tax (TOT) that could help the City's budget. Chapter Three of this report provides information that documents the effect of the Sphere of Influence on the City and evaluates the City's ability to manage the SOI.

## **Local Sphere of Influence Guidelines**

The Cortese/Knox/Hertzberg Act (CKH Act) requires that each commission establish written policies and procedures. The act also states that LAFCOs are to exercise their powers consistent with those policies and procedures. The policies should encourage and provide for well-ordered, efficient urban development patterns, balanced with preserving open space and agriculture land while discouraging urban sprawl. This Sphere of Influence Update and Municipal Service Review for the City of Atascadero are consistent with those policies and the purposes of LAFCO. The SOI discourages urban sprawl and encourages the preservation of open space and agriculture land through the preparation of a Specific Plan by the City. Inclusion in the City also provides for more efficient provision of public services and is consistent with San Luis Obispo LAFCO policies.