




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, AICP, EXECUTIVE OFFICER 

DATE: JANUARY 20, 2011

SUBJECT: STATUS REPORT-CITY OF PISMO BEACH SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE REVIEW

**Recommendation:** It is respectfully recommended that the Commission review this status report and provide comments to staff.

**Summary:** This status report is to bring the Commission up-to-date regarding the Sphere of Influence (SOI) update and Municipal Service Review (MSR) being prepared for the City of Pismo Beach. LAFCO has facilitated six MOA meetings between the City and County staff. The meetings have been quite productive and the MOA has been revised several times by LAFCO staff. The MOA has addressed phasing, water and the guiding principals that the City and County would agree to in developing the SOI. The principals included in the Draft MOA include:

- a. *Direct development toward existing incorporated areas and unincorporated urban areas with logical infrastructure connections*
- b. *Create walkable and transit friendly neighborhoods that have logical connections to other parts of the City*
- c. *Provide for a variety of transportation choices that are feasible and financially viable*
- d. *Create a range of housing opportunities and choices*
- e. *Take advantage of compact building design*
- f. *Improve the regional or sub-regional jobs/housing balance*

Each of the principals is followed with a description to clarify the intent and goals of implementing the principal. Also in the Draft MOA is a section that provides guidance with regard to certain areas of the SOI including Price Canyon, a Special Referral Area, and the Preserve property. The MOA is in Draft form and has yet to be considered by the City Council or Board of Supervisors. It is expected to be considered by the City in February.

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If approved by both jurisdictions, LAFCO is required by the Cortese-Knox-Hertzberg Act to give the MOA "Great Weight" in making its SOI decision.

The Municipal Services Review has been drafted and is nearly complete. The City's release of the Price Canyon Specific Plan EIR has led LAFCO to postpone the release of the SOI update/MSR for Pismo Beach. Now that the comment period for the Price Canyon Specific Plan EIR has ended, the City is working on responding to comments and preparing the Specific Plan. The Specific Plan and EIR will provide more information about the City's plans for the Price Canyon Area. The City may choose to re-circulate the Plan and EIR as a Draft for further review and comment as requested by LAFCO. This issue was discussed at the LAFCO Study Session in October.

The Oceano CSD has been approached with regard to contracting for an allocation of water to supply a portion of the Price Canyon project as well as Los Robles Del Mar. The OCSD is considering these proposals and no decisions have been made. The County's role in re-allocation of Lopez and State Water is another factor to be considered. The County may need to consider amending existing agreements with jurisdictions for this re-allocation to occur.