



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 SAN LUIS OBISPO, ORCUTT
AREA ANNEXATION 4-R-10**

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

Summary: This status report is to bring the Commission up-to-date regarding the Orcutt Area Specific Plan Annexation proposed by the City of San Luis Obispo. LAFCO has received a resolution of application and other materials from the City for the annexation of the Orcutt Area.

The proposed annexation is approximately 231 acres and is bounded by Tank Farm Road to the south, Orcutt Road to the east and north, and the Union Pacific Railroad (UPRR) to the west. The area includes 21 parcels, with thirteen different property owners. Most of the area is unincorporated and has seen limited development under the County's rural residential and agricultural zoning categories.

The proposal considers the annexation of an inhabited (more than 12 registered voters) area located within the City's Sphere of Influence and in an area that is substantially surrounded by the City limits as shown in Figure 1 on the next page. The area is within the City's Sphere of Influence which was updated in 2006. The City Council and County Board of Supervisors have begun the Property Tax Agreement negotiation process for the annexation. The Board of Supervisors opened the negotiation period on January 11, 2011.

The Orcutt Specific Plan area is identified as an expansion area for the City in both the City and County General Plans. An Environmental Impact Report has been prepared and certified by the City. LAFCO has commented on the EIR as a responsible agency and will be using the EIR to address the California Environmental Quality Act. The Specific Plan for the area was approved by the City on March 2, 2010.

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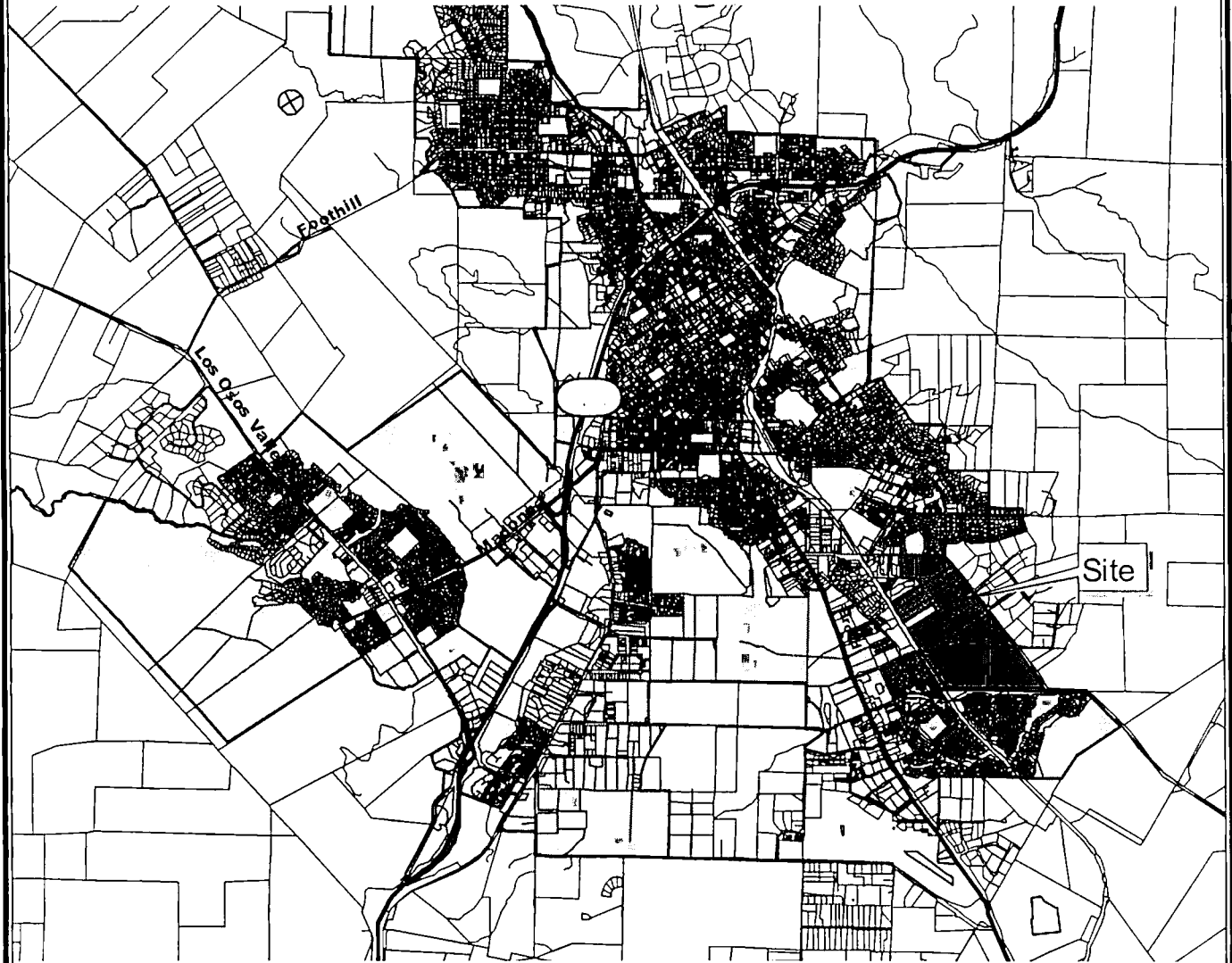
Development Potential: The current zoning under the County's General Plan for the annexation area is Residential Single Family and Agriculture. The City has rezoned the 231 acres as follows:

- 114 acres would be zoned for Residential (979 potential units), 49.3%
- 2.75 acres would be zoned Commercial/Retail, 1.2%
- 15 acres dedicated as road right of way, 6.5%
- 20 acres for parks, 8.7%
- 79 acres being zoned Conservation/Open Space. 34.2%

Under the City's jurisdiction, the Orcutt Area would have increased residential density than if it was developed in the County. The County Planning Department has submitted a comment letter indicating that the annexation is consistent with the County's General Plan and Strategic Growth Principals. The variety of residential zones (Low to High Density) that the City has proposed allows for flexibility in the way the project is designed and can increase the number of affordable units that might be made available. The figure on the next page shows the 231-acre site, the dedicated open space and the proposed land use. The development minimizes urban sprawl by proposing a variety of densities with a proposed commercial component to encourage neighborhood shopping. The location of the proposed park provides for community recreational opportunities and a trails system in and around the open space area that would promote public access.

Next Steps: LAFCO Staff has begun the review process by requesting comments from the various agencies and departments. The City has prepared a Plan for Services, which is being reviewed. Staff is analyzing the required government code factors under Cortese-Knox-Hertzberg, and reviewing the environmental documentation. A staff report discussing the LAFCO goals and policies including water supply, agriculture and open space protection will be prepared and is anticipated to be on LAFCO's March, 2011 agenda. The specific agenda date of the hearing will depend on when the Negotiated Property Tax Agreement is approved by the City and the County. Legal Noticing as required by the Cortese-Knox-Hertzberg Act, the Brown Act and CEQA will be completed prior to the meeting. An inhabited annexation (12 or more registered voters) is subject to the conducting authority hearing process which allows registered voters as well as property owners to protest the annexation.

Figure 1:
Annexation 79 to City of San Luis Obispo
4-R-10 Orcutt Area



- Proposal Site
- City Limits
- ≡ Major Roads
- ∨ Roads

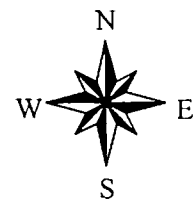


Figure 2 – Proposed Land Use

