

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 11/13/2012	(3) CONTACT/PHONE Kami Griffin, Assistant Director / 781-5708	
(4) SUBJECT Hearing to consider a request by the County of San Luis Obispo to amend: (1) Sections of the Land Use Ordinance (Title 22) relating to Olive Oil processing and Agricultural Retail Sales - replacing Roadside Stand with Field Stand and Farm Stand requirements; and (2) Agriculture Element Policies AGP 5, 20, 22 and 23, the San Luis Obispo Area Plan, sections of the Land Use Ordinance (Title 22) and sections of the the Coastal Zone Land Use Ordinance (Title 23) regarding agricultural cluster land divisions. Supervisorial District: All.			
(5) RECOMMENDED ACTION That the Board of Supervisors: 1. Hold the continued public hearing on the amendments by the County of San Luis Obispo to amend Sections 22.06.030, 22.30.070, 22.30.075, 22.80.030 of the Land Use Ordinance relating to Olive Oil processing and Agricultural Retail Sales - replacing Roadside Stand with Field Stand and Farm Stand requirements (LRP2011-00010) and take tentative action and continue the item to December 18, 2012 for final action. 2. Hold the public hearing on the amendments by the County of San Luis Obispo to amend Agriculture Element Policies AGP 5, 20, 22 and 23, the San Luis Obispo Area Plan, Title 22 (the Land Use Ordinance) and Title 23 (the Coastal Zone Land Use Ordinance) of the County Code regarding agricultural cluster land divisions to: a) revise Land Use Ordinance Sections 22.22.150 (Agricultural Lands Clustering), delete 22.22.152 (Major Agricultural Cluster) and 22.22.154 (Minor Agricultural Cluster) and b) add Coastal Zone Land Use Ordinance Section 23.04.037 to allow Agricultural Lands Clustering in the Coastal Zone (LRP2008-00010) as recommended for approval by the Planning Commission and continue the item to December 4, 2012 for further discussion or take tentative action and continue the item to December 18, 2012 for final action.			
(6) FUNDING SOURCE(S) Current Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT { } Consent { } Presentation {X} Hearing (Time Est. _120 min_) { } Board Business (Time Est._____)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {X} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5th's Vote Required {X} N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY {X} N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Kami Griffin, Assistant Director

VIA: Jason Giffen, Director

DATE: 11/13/2012

SUBJECT: Hearing to consider a request by the County of San Luis Obispo to amend: (1) Sections of the Land Use Ordinance (Title 22) relating to Olive Oil processing and Agricultural Retail Sales - replacing Roadside Stand with Field Stand and Farm Stand requirements; and (2) Agriculture Element Policies AGP 5, 20, 22 and 23, the San Luis Obispo Area Plan, sections of the Land Use Ordinance (Title 22) and sections of the the Coastal Zone Land Use Ordinance (Title 23) regarding agricultural cluster land divisions. Supervisorial District: All.

RECOMMENDATION

That the Board of Supervisors:

1. Hold the continued public hearing on the amendments by the County of San Luis Obispo to amend Sections 22.06.030, 22.30.070, 22.30.075, 22.80.030 of the Land Use Ordinance relating to Olive Oil processing and Agricultural Retail Sales - replacing Roadside Stand with Field Stand and Farm Stand requirements (LRP2011-00010) and take tentative action and continue the item to December 18, 2012 for final action.
2. Hold the public hearing on the amendments by the County of San Luis Obispo to amend Agriculture Element Policies AGP 5, 20, 22 and 23, the San Luis Obispo Area Plan, Title 22 (the Land Use Ordinance) and Title 23 (the Coastal Zone Land Use Ordinance) of the County Code regarding agricultural cluster land divisions to: a) revise Land Use Ordinance Sections 22.22.150 (Agricultural Lands Clustering), delete 22.22.152 (Major Agricultural Cluster) and 22.22.154 (Minor Agricultural Cluster) and b) add Coastal Zone Land Use Ordinance Section 23.04.037 to allow Agricultural Lands Clustering in the Coastal Zone (LRP2008-00010) as recommended for approval by the Planning Commission and continue the item to December 4, 2012 for further discussion or take tentative action and continue the item to December 18, 2012 for final action.

DISCUSSION

Item 1

LRP2011-00010 - Your Board continued this item from the October 23, 2012 meeting to today's meeting to allow staff to evaluate concerns raised over the proposed language by the Central Coast Olive Growers (CCOG) and the Farm Bureau.

The olive growers have requested to keep the existing permit level of a Plot Plan for facilities that process only olives grown on-site and are less than 10,000 square feet in size (facilities from 10,000 to 19,999 square feet currently require a Site Plan, facilities of 20,000 to 39,999 square feet currently require a Minor Use Permit and facilities of 40,000 square feet or more currently require a Conditional Use Permit). Initially the CCOG did not believe there would be many processors that would only process on-site olives due to the cost of the pressing equipment. Staff was concerned over the enforceability of the limitation to on-site olives but CCOG has ensured staff that they will be self-regulating this requirement.

In order to address this concern, staff has added a provision that would keep the existing permitting requirements in place for production facilities where 100 percent of the raw materials are grown on the site of the processing facility or an adjoining site.

CCOG also had a concern over how the existing permitted and non-permitted olive oil processing facilities currently in operation will be treated following adoption of the new ordinance. For all existing legally permitted olive oil production facilities, nothing will change with adoption of these amendments. For the sites that are currently processing without proper permits, staff assured CCOG that each site will be treated case by case through the Plot Plan and Minor Use Permit process. Staff also is suggesting language to allow an 18 month grace period for non-permitted facilities to come into compliance with the new ordinance.

The Farm Bureau suggested a third type of stand be added to the ordinance which expands the amount of pre-packaged non-potentially hazardous food not grown or produced on-site from 50 square feet to 200 square feet and suggests allowing food preparation and food packaging of freezing, canning and drying.

The State Health Code allows 50 square feet of package food not produced on-site and specifically prohibits food preparation. "Food and Beverage Products" in the Land Use Ordinance regulates processing of foods for human consumption. The State Health Codes and County Health Department also regulate food preparation which may require a commercial kitchen and regulated water supply. In addition ADA and other building codes may apply for food processing facilities. Staff did, however, add a provision that would allow the limitation on use and design standards to be modified through a Conditional Use Permit. This would allow, on a case by case basis, the ability to permit larger stands.

Item 2

LRP2008-00010 - The Planning Commission is transmitting the record of their meeting of August 30, 2012 to your Board for the attached proposed amendments to the Agriculture Element of the County's General Plan and Title 22 and Title 23 of the County Code, as follows:

1. Hearing to consider a request by the County of San Luis Obispo to amend Title 22 (the Land Use Ordinance) and Title 23 (the Coastal Zone Land Use Ordinance) of the County Code regarding agricultural cluster land divisions to a) revise Land Use Ordinance Sections 22.22.150 (Agricultural Lands Clustering), 22.22.152 (Major Agricultural Cluster) and 22.22.154 (Minor Agricultural Cluster) and b) add Coastal Zone Land Use Ordinance Section 23.04.037 to allow Agricultural Lands Clustering in the Coastal Zone. This request also includes amending Agriculture Element Policies AGP 5, 20, 22 and 23 and the San Luis Obispo Area Plan to make these policies and plans consistent with the proposed new Agricultural Lands Clustering provisions. The primary changes to Title 22 include but are not limited to: deleting the density bonus, requiring a hydrogeologic report, establishing mandatory findings for adequate water supply, eliminating the distinction between major and minor agricultural cluster projects, revising the eligibility criteria so that agricultural cluster projects must be located within two miles from specified Urban Reserve Lines, increasing the minimum parcel size of clustered residential parcels from 10,000 square feet to 2.5 acres, and requiring clustered lots to be contiguous and form a single cluster of lots. The proposed revision to Title 23 will allow agricultural lands clustering based only on existing lots, without creating new lots. The proposed amendments to Titles 22 and 23 would affect land in the Agriculture land use category.
County File Number: **LRP2008-00010**. APN(s): countywide
Supervisory Districts: All. Date Authorized: July 17, 2009

On August 30, 2012, the Planning Commission considered the above referenced matter and took the following action to recommend approval of the proposed amendments:

For the inland amendments to Title 22, on the motion of Commissioner O'Grady, seconded by Commissioner Christianson, and carried by a 3-2 vote with Commissioners Irving and Murphy voting No, the Commission recommends based on the findings in Exhibit LRP2008-00010:B that the Board of Supervisors 1) certify that the Final Environmental Impact Report was completed in compliance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines and adopt the CEQA findings in Exhibit LRP2008-0010:A, and 2) approves the Land Use Ordinance Amendment LRP2008-00010 as shown in Exhibits LRP2008-00010:C as amended, D as amended, and with the further supplement to the motion that the Board should consider as part of their action not eliminating the lot bonus but instead reducing such bonus to less than 100% and that an increased distance where these subdivisions can occur of between 3 and 5 road miles of identified urban reserve areas be established. For the Coastal Zone Land Use Ordinance amendments (Title 23), on the motion of Commissioner O'Grady, seconded by Commissioner Christianson, and carried by a 3-2 vote with Commissioners Irving and Murphy voting No, the Commission recommends that the Board of Supervisors adopt Land Use Ordinance Amendment LRP2008-00010 as shown in Exhibit E as modified based on the findings listed in Exhibit LRP2008-00010:B.

Background

In 2009, the Board of Supervisors directed the Department to explore possible amendments to the agricultural lands clustering sections of the Land Use Ordinance and associated policies in the Agriculture Element of the general plan. This direction, called authorization, focused the Department on several possible revisions to agricultural clustering as it has been accomplished in the past. The Board's authorization directed the Department to focus on six issues: protection of agricultural lands, density (lot) bonuses, clustered lot design, protection of water supplies for agriculture, agricultural buffers, and location of cluster subdivisions.

The Planning Commission held a public hearing to consider this application on August 30, 2012. The Commission, by a vote of 3-2, recommended your Board adopt the proposed ordinance. The staff report from that hearing is attached and provides background information, specifics about the proposed amendments, and information about the environmental document.

Planning Commission Hearing Issues

The Planning Commission had extensive discussions on two points of the proposed ordinance. The staff recommended the "environmentally superior alternative" identified in the Final Environmental Impact Report (FEIR). The recommended project limits agricultural clusters to within two miles of certain urban reserve lines. The original project allowed cluster projects within five miles of certain urban reserve lines. The Commission tried to find a median point between the recommended two mile and the original five mile limitations. Although the issue was discussed extensively, the final motion and vote approved the two mile alternative. The Planning Commission wanted the Board to consider during your deliberations an increased distance where cluster subdivisions can occur of between 3 and 5 road miles of identified urban reserve lines.

The second issue that received extensive discussion was the need for a lot bonus. The existing ordinance allows for a 100 percent density or lot bonus while the recommended ordinance has no provision for a lot bonus. Removing the lot bonus was part of the Board's direction to staff during authorization of these amendments. The Planning Commission discussed the need for the bonus and took testimony on the issue. On the basis of information provided by staff and County Counsel, a majority of the Commission determined that the FEIR did not adequately study a reduced bonus and so decided to recommend approval of the proposed ordinance amendments that eliminated the bonus completely. However, the Commission did want the Board to include a consideration of some amount of lot bonus (less than 100 percent) in your deliberations.

OTHER AGENCY INVOLVEMENT/IMPACT

The amendments were referred to all applicable responsible agencies and were reviewed and recommended for approval by the Planning Commission. County Counsel has reviewed the Ordinance as to form and content. The Water Resource Advisory Committee (WRAC) and the Agricultural Liaison Advisory Board (ALAB) both reviewed and commented on the proposed ordinance. Their written correspondence is attached to the Planning Commission staff report as Exhibit C.

BUSINESS IMPACT STATEMENT

Item 1 – Olive Oil Processing and Agricultural Retail Sales. Approval of these ordinance amendments will benefit the Uniquely SLO County cluster identified in the San Luis Obispo County Clusters of Opportunity Economic Strategy (November 2010). Specifically, locals involved in the olive oil industry and other agricultural producers through creating permit levels for processing, tasting and sales operations.

Item 2 – Agricultural Cluster Subdivisions. On balance, the proposed agricultural cluster ordinance revisions should have positive effects on the business clusters identified in the San Luis Obispo County Clusters of Opportunity Economic Strategy prepared by the Economic Vitality Corporation in 2010. The Ordinance's overall goal is to protect agricultural resources.

Protection of agricultural resources to encourage the continued health of the sector is in the best interest of all business clusters. In preparing the proposed ordinance, staff considered the authority that the County can and should exercise and the goal statements in the Economic Element, in particular, the following goal:

Goal EE 1: Promote a strong and viable local economy by pursuing policies that balance economic, environmental, and social needs of the county.

A strong and viable local agricultural sector is dependent upon adequate resources such as water, land, soil and minimal conflicts with other land uses. The Plan may affect the business clusters as described below:

The Building Design and Construction Cluster may have to design and implement agricultural cluster subdivisions under the revised ordinance.

The Uniquely SLO County Cluster should be positively affected by the ordinance as it would protect agricultural land for agriculture.

FINANCIAL CONSIDERATIONS

Preparation of the proposed ordinance is included in the Planning and Building Department budget as a County-initiated amendment.

RESULTS

Approval of this ordinance will result in revised design and density standards for agricultural cluster subdivisions that minimize agricultural and residential conflicts.

Final approval of the request will allow the amendments to become effective 30 days after the date of final action which is set for December 18, 2012 making the effective date January 17, 2013.

ATTACHMENTS

1. **Attachment A** – LRP2011-00010 - Revised Ordinance Amendments –
Olive Oil processing and Agricultural Retail Sales
2. **Attachment B** – LRP2008-00010 - Planning Commission Resolution
3. Attachment B-1 - Exhibit LRP2008-00010:B – Planning Commission Findings
4. Attachment B-2 - Exhibit LRP2008-00010:C – General Plan Amendments
5. Attachment B-3 – Exhibit LRP2008-00010:D – Title 22 Amendments
6. Attachment B-4 – Exhibit LRP 2008-00010:E – Title 23 Amendments
7. **Attachment C** – Draft Planning Commission Minutes from the August 30, 2012 Meeting
8. **Attachment D** – Planning Commission Staff Report for the August 30, 2012 Meeting
9. **Attachment E** – Final Environmental Impact Report (on file with Clerk)