

**Exhibit LRP2013-00014:B**  
**Amendment to Chapter 3: Public Facilities, Services,**  
**and Resources, of the Oceano Community Plan, Part**  
**III of the Land Use and Circulation Elements, and**  
**Addition of Appendix A**

- A. Revise Section 3.3, Status of Public Facilities, Services and Resources, as follows.**
  
- B. Add new Appendix A, Infrastructure Funding and Financing Information for the Community of Oceano, as follows.**

## Chapter 3: Public Facilities, Services, and Resources

### 3.1 Introduction

Chapter 3 provides a description of public facilities, services and basic resources within Oceano. It identifies capacities and compares them with current and projected demand levels, based on 1980 information. It then identifies appropriate program options that the County might use to deal with current and potential deficiencies. In addition, this chapter identifies programs for improving our basic understanding of existing and potential resources.

Appropriate levels of service for urban, suburban and rural areas are discussed in Framework for Planning, LUCE Part I.

Appropriate development levels within Oceano are addressed in Chapter 4 of this plan. The intent of Chapter 3 is to provide the public and decision makers with basic information and a range of options to be considered when evaluating growth and development issues. In addition to the discussion in this chapter, the South County Area Plan describes regional facilities and services that are not necessarily based in Oceano but are available to residents in the San Luis Bay sub-area.

**NOTE:** This chapter describes service levels and available resource capacities as of the adoption of the San Luis Bay Inland Area Plan (1980). More recent data on resource and service levels is available in the County's Resource Summary Report, which is updated every two years.

### 3.2 Resource Management System

The primary purpose of the Resource Management System is to provide an alert process for timely identification of potential resource deficiencies. Sufficient lead time can then be provided to allow for correcting or avoiding a problem without the necessity of resorting to development moratoria or other severe growth restrictions. This chapter initiates the RMS by summarizing assessments of the major resources of water supply, sewage disposal, schools, and road capacity. In conjunction with those assessments, population thresholds have been estimated for three levels of severity for each resource. Since population thresholds are estimates, however, changes in population growth, resource consumption or other factors may change the estimated thresholds. Data developed for this report will be reviewed and updated annually as part of the general plan review process.

The resources that appear to be experiencing deficiencies in Oceano are summarized in Table 3-1, below. Verification of the level of severity will occur after public hearings and Board of Supervisors action to certify the documentation on which these assessments are based. Resource capacity information is included in this area plan to support ongoing review of needs for capital programs and providing information to the public on the status of county resources. This information is not to be used for reviewing individual development proposals or their consistency with the general plan. The use of Land Use Element resource capacity information by the County to evaluate development proposals can

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only occur through separate hearings and enactment of ordinances outside of the general plan. An explanation of this procedure is in Framework for Planning (LUCE Part I).

Table 3-1: Resource Severity Levels and Population Thresholds – Oceano			
Resources	Levels of Severity		
	I	II	III
Water Resources	-	3,900	-
Sewage Treatment Plant <sup>1</sup>	-	19,662	28,089
Schools	-	3,900	4,160
Elementary	-	-	3,900
Intermediate	-	-	30,560
High School	-	-	-
Roads/Circulation <sup>2</sup>	19,890	20,340	34,320
State Highway 1			

**Notes:**

<sup>1</sup>Population threshold is the projected combined population for Arroyo Grande, Grover Beach and Oceano.

<sup>2</sup>Population threshold is the projected combined population of Pismo Beach, Grover Beach, and Oceano.

### 3.3 Status of Public Facilities, Services, and Resources

The Oceano Community Services district provides sewage collection, water, fire, and street lighting within the community of Oceano and Halcyon.

[Disadvantaged- Communities.](#) Government Code Section 65302.10 requires local governments to update the General Plan to include information regarding infrastructure needs and financing within “disadvantaged unincorporated communities.” Oceano qualifies as one of these communities. According to the Governor’s Office of Planning and Research, the purpose of these requirements is to identify disadvantaged communities underserved by public water, sewer and other services and “...to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities” (Technical Advisory for Senate Bill 244, Land Use, General Plans, and Disadvantaged Communities, February 15, 2013).

[Consistent with Government Code Section 65302.10, this chapter includes a description of water, wastewater, storm water drainage, and structural fire protection. In addition, this Community Plan includes an appendix \(Appendix A\) that provides an analysis of needs and deficiencies in the community, as well as an analysis of financing alternatives that could make the extension of services to identified communities financially feasible.](#)

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## **Water Supply**

Oceano relies on Lopez water and additional supplies from the groundwater basins, if needed.

The Oceano Community Service District provides water to the Oceano community. The district's Lopez allotment is 303 acre feet per year, supplemented with groundwater from wells. The CSD has recently installed new deeper wells that pump better quality water from deeper aquifers. If the water quality should deteriorate, the CSD could experience a resource deficiency. The present population is approximately 3,900 people and is projected to reach about 5,700 by the year 2000. Like the neighboring communities, Oceano's portion of the groundwater supplies needs to be adjudicated to determine population threshold levels, however, based on presently available data, Oceano (including areas within the Coastal Zone) is experiencing a Level of Severity II for water resources.

## **Sewage Disposal**

The district treatment plant in Oceano provides secondary treatment for wastewater from Grover Beach, Arroyo Grande and Oceano (including areas within the Coastal Zone), for disposal via an ocean outfall line. The city of Pismo Beach will also be utilizing the outfall for disposal of their treated effluent in approximately 1981. Grover Beach and Arroyo Grande have their own sewage collection systems, while Oceano Community Services District collects sewage for the unincorporated Oceano area. Wastewater is transported to the district treatment plant for treatment and disposal through these agencies' sewage collection systems. The sewer lines are all of recent construction and no significant system problems are expected. The outfall line has previously been damaged by storms and is being replaced and extended and should have adequate capacity until about 2000. However, attention should be paid to the effects of adding Pismo Beach effluent to the ocean outfall line. Modifications to the treatment plant are also being made to improve the quality of the treated effluent.

The treatment plant has a capacity of 2.5 million gallons per day (mgd), with current use at about 1.9 mgd or 76% of capacity. There are no current plans for plant expansion; however, the plant capacity can be doubled by installing parallel treatment units.

Flow rates exceeding 70% of system capacity thus require preliminary facility planning for possible plant expansion. This indicates that the treatment plant is experiencing a Level of Severity II for sewage treatment capacity.

## **Schools**

Oceano is served by the Lucia Mar Unified School District. The district has been experiencing deficiencies for a number of years. The expanding population has led to overcrowding in some schools, while other facilities are deficient in meeting program needs. The district recently prepared a detailed evaluation of its facilities ("Lucia Mar Unified School District Long Range Development Plan 1977-90," Stuhr, Dodson, Foster & McClave, 1978) that indicates the problem is a serious one. The proposed major developments in the Five Cities area, especially in the city of Arroyo Grande, could further impact the situation.

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A review of enrollment figures, enrollment projections and facility capacities indicates many of the schools serving the South County planning area are already experiencing a Level II deficiency. Detailed enrollment information for the San Luis Bay Sub-area is provided in the South County Area Plan.

## Emergency and Social Services

Oceano is serviced by the San Luis Obispo County Sheriff and the California Highway Patrol. The South County Sheriff's Substation, located in Oceano, services the entire San Luis Bay Inland sub-area and the rest of the South County. Since the area is large, the response time in outlying areas can be quite long.

## Fire Protection

The Oceano Community Services District has a volunteer force and provides services to the Oceano community, including Halcyon, from a station located at Paso Robles and 13th Street.

## 3.4 Community Service Programs

"Programs" are specific non-mandatory actions or policies recommended by the Land Use Element to achieve community or areawide objectives identified in this community plan. The implementation of each LUE program is the responsibility of the County or other public agency identified in the program itself.

**NOTE:** In addition to the programs listed here, the South County Area Plan contains regional programs for the San Luis Bay Inland sub-area that may also

Because programs (some of which include special studies) are recommended actions rather than mandatory requirements, implementation of any program should be based on consideration of community needs and substantial community support for the program and its related cost.

The following public service programs apply within the Oceano Urban Reserve Line.

1. **Effluent Recycling.** Agencies planning expansion of treatment facilities should pursue re-use of treated effluent rather than continuing use of ocean outfalls.
2. **Sewage Disposal Agency Consolidation.** The County, the South San Luis Obispo County Sanitation District, and the cities of Pismo Beach, Arroyo Grande, and Grover Beach should jointly evaluate the feasibility of consolidating their sewage services into a single district using the existing South San Luis Obispo County Sanitation District treatment facilities.

## Appendix A

### Infrastructure Funding and Financing Information for the Community of Oceano

This appendix is excerpted from the Complete Communities Survey: Funding and Financing Plan, November 18, 2013, which was prepared for the County of San Luis Obispo by Economic & Planning Systems, Inc. with Placeworks and Rick Engineering Company (funded by a Sustainable Communities Grant from the California Strategic Growth Council).

***Disclaimer:** The statements and conclusions of the Complete Communities Survey are those of Placeworks, EPS, and Rick Engineering and not necessarily those of the Strategic Growth Council or of the Department of Conservation, or its employees. The Strategic Growth Council and the Department make no warranties, express or implied, and assume no liability for the information contained in the succeeding text.*

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**Table 12 Oceano Capital Improvement Program Summary**

Category	Costs Attributable to Existing Deficiencies	Costs Attributable to New Growth (through 2035)	Total Costs
Utility Infrastructure	\$14,000,000	\$2,778,000	\$16,778,000
Transportation			
Street & Highway Systems	\$0	\$0	\$0
Sidewalks [1]	\$6,588,317	\$2,165,146	\$8,753,464
Other Transportation	<u>\$0</u>	<u>\$4,840,000</u>	<u>\$4,840,000</u>
Subtotal, Transportation	\$6,588,317	\$7,005,146	\$13,593,464
Public Facilities	<u>\$11,600,000</u>	<u>\$5,250,000</u>	<u>\$16,850,000</u>
<b>Total</b>	<b>\$32,188,317</b>	<b>\$15,033,146</b>	<b>\$47,221,464</b>

[1] These estimates do not include sidewalks for the Residential Suburban category because the Residential Suburban category does not exist in Oceano.

Sources: County of San Luis Obispo Facilities Inventory, 2012; Economic & Planning Systems, Inc.

### **Utility Infrastructure**

The Facilities Inventory indicates that \$17 million of utility infrastructure improvements are needed in Oceano to remedy existing deficiencies and support new growth through 2035, including \$14 million to fund existing stormwater deficiencies. Required improvements include water distribution and stormwater improvements.

Stormwater improvements represent an immediate concern. Improvements that are needed now include new regional detention/infiltration facilities, a diversion pipeline at Highway 1, curbs and gutters, Arroyo Grande Creek Levee Protection, and sand bar management and Meadow Creek Lagoon flood mitigation. No improvements beyond those needed currently were identified.

### **Transportation**

Required transportation improvements are of significance and include sidewalks, streetscapes, and bicycle lanes and paths. At \$8.8 million, sidewalk improvements represent 64 percent of Oceano’s transportation related facility needs and costs.

### **Public Facilities**

Public facilities in Oceano include fire and police buildings, parks and open space, trails, a library, civic/community facilities, senior and health care facilities and schools. In Oceano, identified public facilities improvements include a replacement County Sheriff station, an expansion to the CSD fire station, public parks and open space, and libraries.

- The County Sheriff proposes a 7,000 square foot replacement station by 2035 at a cost of \$1.75 million (\$250 per square foot).<sup>6</sup>

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<sup>6</sup> Estimate is based on a conversation between County staff and Rob Reid of the Sheriff’s Office.

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- There are existing deficiencies related to both public parks and open space and libraries. Of \$12.2 million identified parks and open space improvements, \$9.5 million are required due to existing deficiencies. Of \$2.9 million identified library improvements, \$2.1 million are attributable to existing deficiencies.
- The Oceano CSD proposes an additional 2,500 square feet of living quarters above the existing fire station at an estimated cost of between \$1.25 and \$1.87 (assuming per square foot construction costs of between \$500 and \$750). No additional land acquisition costs are required.<sup>7</sup>

## **Community Priorities**

On October 3, 2012, a public workshop was held that included exercises focusing on which community facilities should be prioritized over the next approximately 20 years. Furthermore a Facilities Inventory Survey was sent to Oceano residents that asked them to prioritize community facilities for the community.

The highest ranking priorities for Oceano according to input from the Community Workshop and Survey are as follows:

- Water Systems
- Street and Highway Systems
- Streetscape Improvements
- Schools
- Sewer Systems
- Sidewalks
- Parks and Park Access

It is recommended that Oceano's infrastructure be a high priority.

Expansion of the fire station in Oceano was also identified as a major priority. It was also recommended by workshop participants that sidewalks and trails be prioritized to improve pedestrian safety.

Community Workshop participants suggested improving sidewalk surfaces and connectivity.

## **Facility Needs and Costs**

The Facilities Inventory identified \$47 million of facility needs between now and 2035 in Oceano, more than 68 percent of which are attributable to existing deficiencies. Costs are approximately evenly spread between utility infrastructure improvements (\$16.8 million), transportation improvements (\$13.6 million), and public facilities improvements (\$16.9 million).

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Oceano Capital Improvement Program  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Category	Costs Attributable to Existing Deficiencies	2020 Cost	2025 Cost	2030 Cost	2035 Cost	Costs Attributable to New Growth	Total Cost	Existing Funding
<u>Utility Infrastructure</u>								
Water Supply						\$0	\$0	
Water Distribution		\$2,116,000			\$662,000	\$2,778,000	\$2,778,000	
Wastewater						\$0	\$0	
Stormwater	\$14,000,000					\$0	\$14,000,000	\$100,000
Solid Waste						\$0	\$0	
<b>Subtotal</b>	<b>\$14,000,000</b>	<b>\$2,116,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$662,000</b>	<b>\$2,778,000</b>	<b>\$16,778,000</b>	
<u>Transportation</u>								
Street & Highway Systems						\$0	\$0	
Sidewalks	\$6,588,317	\$789,546			\$1,375,601	\$2,165,146	\$8,753,464	
Streetscapes		\$1,600,000			\$2,800,000	\$4,400,000	\$4,400,000	
Bicycle Lanes & Paths					\$440,000	\$440,000	\$440,000	
Public Transit Systems						\$0	\$0	
Park & Ride Lots						\$0	\$0	
<b>Subtotal</b>	<b>\$6,588,317</b>	<b>\$2,389,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,615,601</b>	<b>\$7,005,146</b>	<b>\$13,593,464</b>	
<u>Public Facilities</u>								
Public Parks & Open Space	\$9,500,000	\$1,000,000			\$1,700,000	\$2,700,000	\$12,200,000	
Trails						\$0	\$0	
Schools						\$0	\$0	
Libraries	\$2,100,000	\$300,000			\$500,000	\$800,000	\$2,900,000	
Community/Civic Facilities						\$0	\$0	
Public Service Facilities						\$0	\$0	
Public Safety Buildings					\$1,750,000	\$1,750,000	\$1,750,000	
<b>Subtotal</b>	<b>\$11,600,000</b>	<b>\$1,300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,950,000</b>	<b>\$5,250,000</b>	<b>\$16,850,000</b>	
<b>Total</b>	<b>\$32,188,317</b>	<b>\$5,805,546</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,227,601</b>	<b>\$15,033,146</b>	<b>\$47,221,464</b>	

Sources: County of San Luis Obispo Facilities Inventory; Economic & Planning Systems, Inc.

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Public Facility Fees Calculation  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Community/ Land Use Category	New Development (through 2035)	Public Facility Fees [1]													
		Government		Administration		Sheriff		Park [2]		Library		Fire [3]		Total	
		Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount
<b>OCEANO</b>															
<b>Residential (units)</b>															
Single Family	157	\$533	\$83,561	\$111	\$17,402	\$280	\$43,897	\$2,303	\$361,053	\$454	\$71,176	\$1,994	\$312,609	\$5,675	\$889,698
Multifamily	576	\$406	\$233,677	\$72	\$41,440	\$213	\$122,594	\$1,753	\$1,008,957	\$345	\$198,568	\$902	\$519,155	\$3,691	\$2,124,393
<b>Subtotal, Residential</b>	<b>732</b>		<b>\$317,239</b>		<b>\$58,842</b>		<b>\$166,491</b>		<b>\$1,370,010</b>		<b>\$269,744</b>		<b>\$831,765</b>		<b>\$3,014,091</b>
<b>Commercial (sq.ft.)</b>															
Office	0	\$719	\$0	\$45	\$0	\$378	\$0			\$239	\$0	\$902	\$0	\$2,283	\$0
Retail	17,880	\$432	\$7,724	\$34	\$608	\$226	\$4,041			\$143	\$2,557	\$902	\$16,127	\$1,737	\$31,057
Service	16,217		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	20,136	\$309	\$6,222	\$29	\$584	\$163	\$3,282			\$103	\$2,074	\$902	\$18,162	\$1,506	\$30,324
<b>Subtotal, Commercial</b>	<b>54,232</b>		<b>\$13,946</b>		<b>\$1,192</b>		<b>\$7,323</b>		<b>\$0</b>		<b>\$4,631</b>		<b>\$34,290</b>		<b>\$61,381</b>
<b>Total, Oceano</b>			<b>\$331,184</b>		<b>\$60,034</b>		<b>\$173,814</b>		<b>\$1,370,010</b>		<b>\$274,375</b>		<b>\$866,055</b>		<b>\$3,075,473</b>
<b>NIPOMO</b>															
<b>Residential (units)</b>															
Single Family	1,088	\$533	\$580,030	\$111	\$120,794	\$280	\$304,706	\$2,303	\$2,506,210	\$454	\$494,060	\$1,994	\$2,169,944	\$5,675	\$6,175,744
Multifamily	411	\$406	\$166,697	\$72	\$29,562	\$213	\$87,454	\$1,753	\$719,753	\$345	\$141,651	\$902	\$370,346	\$3,691	\$1,515,463
<b>Subtotal, Residential</b>	<b>1,499</b>		<b>\$746,727</b>		<b>\$150,356</b>		<b>\$392,161</b>		<b>\$3,225,962</b>		<b>\$635,711</b>		<b>\$2,540,291</b>		<b>\$7,691,207</b>
<b>Commercial (sq.ft.)</b>															
Office	15,297	\$719	\$10,999	\$45	\$688	\$378	\$5,782			\$239	\$3,656	\$902	\$13,798	\$2,283	\$34,923
Retail	68,189	\$432	\$29,458	\$34	\$2,318	\$226	\$15,411			\$143	\$9,751	\$902	\$61,507	\$1,737	\$118,445
Service	33,301		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	0	\$309	\$0	\$29	\$0	\$163	\$0			\$103	\$0	\$902	\$0	\$1,506	\$0
<b>Subtotal, Commercial</b>	<b>116,788</b>		<b>\$40,457</b>		<b>\$3,007</b>		<b>\$21,193</b>		<b>\$0</b>		<b>\$13,407</b>		<b>\$75,305</b>		<b>\$153,369</b>
<b>Total, Nipomo</b>			<b>\$787,184</b>		<b>\$153,363</b>		<b>\$413,354</b>		<b>\$3,225,962</b>		<b>\$649,118</b>		<b>\$2,615,595</b>		<b>\$7,844,576</b>
<b>TEMPLETON [4]</b>															
<b>Residential (units)</b>															
Single Family	570	\$533	\$304,006	\$111	\$63,311	\$280	\$159,703	\$2,303	\$1,313,556	\$454	\$258,947	\$1,994	\$1,137,312	\$5,675	\$3,236,835
Multifamily	195	\$406	\$79,220	\$72	\$14,049	\$213	\$41,561	\$1,753	\$342,049	\$345	\$67,317	\$902	\$176,000	\$3,691	\$720,197
<b>Subtotal, Residential</b>	<b>765</b>		<b>\$383,225</b>		<b>\$77,360</b>		<b>\$201,264</b>		<b>\$1,655,605</b>		<b>\$326,264</b>		<b>\$1,313,313</b>		<b>\$3,957,031</b>
<b>Commercial (sq.ft.)</b>															
Office	128,154	\$719	\$92,143	\$45	\$5,767	\$378	\$48,442			\$239	\$30,629	\$902	\$115,595	\$2,283	\$292,575
Retail	48,512	\$432	\$20,957	\$34	\$1,649	\$226	\$10,964			\$143	\$6,937	\$902	\$43,758	\$1,737	\$84,265
Service	78,853		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	78,587	\$309	\$24,283	\$29	\$2,279	\$163	\$12,810			\$103	\$8,094	\$902	\$70,885	\$1,506	\$118,352
<b>Subtotal, Commercial</b>	<b>334,105</b>		<b>\$137,383</b>		<b>\$9,695</b>		<b>\$72,215</b>		<b>\$0</b>		<b>\$45,660</b>		<b>\$230,238</b>		<b>\$495,192</b>
<b>Total, Templeton</b>			<b>\$520,609</b>		<b>\$87,055</b>		<b>\$273,479</b>		<b>\$1,655,605</b>		<b>\$371,924</b>		<b>\$1,543,551</b>		<b>\$4,452,223</b>
<b>SAN MIGUEL</b>															
<b>Residential (units)</b>															
Single Family	152	\$533	\$81,169	\$111	\$16,904	\$280	\$42,640	\$2,303	\$350,716	\$454	\$69,138	\$1,994	\$303,660	\$5,675	\$864,227
Multifamily	122	\$406	\$49,420	\$72	\$8,764	\$213	\$25,927	\$1,753	\$213,384	\$345	\$41,995	\$902	\$109,796	\$3,691	\$449,288
<b>Subtotal, Residential</b>	<b>274</b>		<b>\$130,589</b>		<b>\$25,668</b>		<b>\$68,568</b>		<b>\$564,101</b>		<b>\$111,133</b>		<b>\$413,456</b>		<b>\$1,313,515</b>
<b>Commercial (sq.ft.)</b>															
Office	5,066	\$719	\$3,642	\$45	\$228	\$378	\$1,915			\$239	\$1,211	\$902	\$4,569	\$2,283	\$11,565
Retail	43,952	\$432	\$18,987	\$34	\$1,494	\$226	\$9,933			\$143	\$6,285	\$902	\$39,645	\$1,737	\$76,344
Service	6,761		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	0	\$309	\$0	\$29	\$0	\$163	\$0			\$103	\$0	\$902	\$0	\$1,506	\$0
<b>Subtotal, Commercial</b>	<b>55,778</b>		<b>\$22,630</b>		<b>\$1,722</b>		<b>\$11,848</b>		<b>\$0</b>		<b>\$7,496</b>		<b>\$44,214</b>		<b>\$87,910</b>
<b>Total, San Miguel</b>			<b>\$153,219</b>		<b>\$27,390</b>		<b>\$80,416</b>		<b>\$564,101</b>		<b>\$118,629</b>		<b>\$457,670</b>		<b>\$1,401,425</b>

[1] County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated.  
 [2] Park fees are composed of Land and Development. Those lots which paid a Quimby Fee are exempt from the land portion.  
 [3] The Fire Fee is the only facility fee on residential development that is not a fixed amount per unit; it varies by unit size. The fee is \$902 per 1,000 square feet. Calculations assume a 2,210 sq.ft. single family home and a 1,000 sq.ft. multifamily unit.  
 [4] Fire Fees are paid directly to Templeton Community Services District.

Sources: San Luis Obispo County, Planning and Building Department Public Facility Fees Schedule, FY 2010/11; Economic & Planning Systems, Inc.

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**Road Improvement Fees Calculation**  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Community/ Land Use Category	New Development (through 2035)	Trip Generation Rate [1] (PM Peak Hour)	Road Improvement Fee [2] (per PM Peak Hour Trip)	Amount
<b>OCEANO [3]</b>				
<b>Residential (units)</b>				
Single Family	157	1.00	n/a	-
Multifamily	<u>576</u>	0.62	n/a	-
<b>Subtotal, Residential</b>	<b>732</b>			-
<b>Commercial (sq.ft.)</b>				
Office	0	1.49	n/a	-
Retail	17,880	3.73	n/a	-
Service	16,217	11.15	n/a	-
Industrial	<u>20,136</u>	0.97	n/a	-
<b>Subtotal, Commercial</b>	<b>54,232</b>			-
<b>Total, Oceano</b>				-
<b>NIPOMO</b>				
<b>Residential (units)</b>				
Single Family	1,088	1.00	\$11,030	\$12,002,709
Multifamily	<u>411</u>	0.62	\$11,030	<u>\$2,807,688</u>
<b>Subtotal, Residential</b>	<b>1,499</b>			<b>\$14,810,397</b>
<b>Commercial (sq.ft.)</b>				
Office	15,297	1.49	\$6,058	\$138,079
Retail	68,189	3.73	\$3,938	\$1,001,490
Service	33,301	11.15	\$6,058	\$2,249,383
Industrial	<u>0</u>	0.97	\$6,058	<u>\$0</u>
<b>Subtotal, Commercial</b>	<b>116,788</b>			<b>\$3,388,952</b>
<b>Total, Nipomo</b>				<b>\$18,199,349</b>
<b>TEMPLETON</b>				
<b>Residential (units)</b>				
Single Family	570	1.00	\$12,832	\$7,319,144
Multifamily	<u>195</u>	0.62	\$12,832	<u>\$1,552,402</u>
<b>Subtotal, Residential</b>	<b>765</b>			<b>\$8,871,546</b>
<b>Commercial (sq.ft.)</b>				
Office	128,154	1.49	\$9,462	\$1,806,698
Retail	48,512	3.73	\$7,797	\$1,410,924
Service	78,853	11.15	\$9,462	\$8,318,778
Industrial	<u>78,587</u>	0.97	\$9,462	<u>\$721,256</u>
<b>Subtotal, Commercial</b>	<b>334,105</b>			<b>\$12,257,655</b>
<b>Total, Templeton</b>				<b>\$21,129,201</b>
<b>SAN MIGUEL</b>				
<b>Residential (units)</b>				
Single Family	152	1.00	\$6,148	\$936,259
Multifamily	<u>122</u>	0.62	\$6,148	<u>\$463,987</u>
<b>Subtotal, Residential</b>	<b>274</b>			<b>\$1,400,246</b>
<b>Commercial (sq.ft.)</b>				
Office	5,066	1.49	\$6,148	\$46,406
Retail	43,952	3.73	\$6,148	\$1,007,907
Service	6,761	11.15	\$6,148	\$463,448
Industrial	<u>0</u>	0.97	\$6,148	<u>\$0</u>
<b>Subtotal, Commercial</b>	<b>55,778</b>			<b>\$1,517,761</b>
<b>Total, San Miguel</b>				<b>\$2,918,007</b>

[1] Trip Generation Rates from ITE's Trip Generation Manual, as provided by County staff, December 2012. Single Family is assumed to be code 210: Single Family Detached Housing. Multifamily is assumed to be code 220: Apartment. Office is assumed to be code 710: General Office Building. Retail is assumed to be code 820: Shopping Center. Service is assumed to be code 932: High Turnover (Sit-Down) Restaurant. Industrial is assumed to be code 110: General Light Industrial.

[2] Where multiple rates are provided per land use type, EPS has calculated an average.

[3] Oceano does not currently collect Road Improvement Fees.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

**Sidewalk Calculations and Costs by Community**  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Item	Assumption	Nipomo	Templeton	Oceano	San Miguel
Total Future Sidewalk Miles [1]		86.7	64.3	56.9	19.0
Existing Sidewalk Miles		35.7	30.1	18.8	6.1
Gap (due to Existing Deficiency and New Growth)		51.0	34.2	38.1	12.9
Growth Rate (through 2020)		9.7%	10.9%	9.7%	12.9%
Growth Rate (through 2035)		30.5%	30.8%	26.6%	42.8%
New Sidewalk Miles (2010 through 2020)		3.5	3.3	1.8	0.8
New Sidewalk Miles (2020 through 2035)		7.4	6.0	3.2	1.8
New Sidewalk Costs (2010 through 2020)	\$82 per linear ft.	\$1,499,297	\$1,420,498	\$789,546	\$340,696
New Sidewalk Costs (2020 through 2035)	\$82 per linear ft.	\$3,214,988	\$2,593,387	\$1,375,601	\$789,676
<u>Deficiency Calculation [2]</u>					
Number of Parcels		5,119	2,545	2,311	862
Total Residential Parcels		3,214	1,348	1,984	605
Percent of Parcels Residential		62.8%	53.0%	85.9%	70.2%
Total Deficient Residential Parcels [1]		1,474	477	923	290
Percent of Residential Parcels Deficient		45.9%	35.4%	46.5%	47.9%
Total Residential Sidewalk Miles Needed		32.0	18.1	32.7	9.1
Total Residential Sidewalk Miles Needed due to Deficiency		14.7	6.4	15.2	4.3
Cost Attributable to Existing Deficiencies	\$82 per linear ft.	\$6,358,143	\$2,775,265	\$6,588,317	\$1,879,006
<u>Residential Suburban</u>					
Total RS Sidewalk Miles		65.1	25.8	0	3.6
Existing Sidewalk Miles		0	0	0	0
New Sidewalk Miles (2010 through 2020)		20.7	9.1	0	1.1
New Sidewalk Miles (2020 through 2035)		44.4	16.7	0	2.5
If 5% Provided (2010 through 2020)	5%	1.0	0.5	0.0	0.1
If 5% Provided (2020 through 2035)	5%	2.2	0.8	0.0	0.1
New Sidewalk Costs (2010 through 2020)	\$82 per linear ft.	\$448,114	\$196,997	\$0	\$23,813
New Sidewalk Costs (2020 through 2035)	\$82 per linear ft.	\$961,171	\$361,522	\$0	\$54,120

[1] These estimates do not include sidewalks for the Residential Suburban category because although sidewalks are required for new residential subdivisions, they have not been historically required in rural residential areas and are not required with individual construction permits. However, the Facilities Inventory indicates the number of sidewalk miles needed through 2035 to serve existing and new Residential Suburban development in each of the communities. This estimate is inclusive of sidewalk miles that are needed due to existing deficiencies as well as sidewalk miles needed to accommodate future growth. While developers will be required to fund sidewalk improvements due to new growth, each of the communities will need to determine how much of the existing deficiency it is a priority to provide. The Facilities Inventory does not indicate what percentage of future RS sidewalk miles are needed to serve existing deficiencies versus new growth.

[2] Deficiency assumptions are provided by the County and described below:

RSF deficiency defined as follows:

- If vacant parcel, no existing deficiency.
- If developed with SF and subdivision possible, no existing deficiency.
- If developed with SF and no subdivision possible, parcel represents an existing deficiency.

RMF deficiency defined as follows:

- If vacant parcel, no existing deficiency.
- If developed with residential and additional units allowed, no existing deficiency.
- If developed with residential and no additional units allowed, parcel represents an existing deficiency.

No existing deficiencies for all other land use categories.

Source: County of San Luis Obispo.

### 3. *FUNDING AND FINANCING MECHANISMS*

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There are a number of funding sources and financing mechanisms that can be applied to fund the capital infrastructure and facility improvements identified in the Facilities Inventory. Many are already in place, while others represent potential options for consideration. They are described in more detail below.

Whether a particular funding source is appropriate for a given improvement will depend on a number of factors, such as the type of improvement, whether the improvement is needed to address existing deficiencies or serve new development, how the combined burden of fees and/or assessments and taxes affect development feasibility, and the timing of funds versus the need for improvements.

#### **Sources of Funds by Type of Improvement**

##### **Utility Infrastructure**

Utility infrastructure improvements include water supply, water distribution, wastewater, stormwater, and solid waste improvements.

- The County's Infrastructure and Facilities Five Year Capital Improvement Plan (CIP) includes public infrastructure projects, such as water and wastewater systems, which are typically funded with revenues collected by Community Service Districts (CSDs) from connection fees, rates and charges to system customers and grants or loans from State or Federal sources. CSD projects are not included in the County's CIP.
- Localized drainage projects have historically been funded through General Flood Control District reserve funds. For larger drainage projects, assessment districts have been established, and the revenues have been used to leverage Federal FEMA funds and State Proposition 1E Funds.
- Local Area Development Impact Fees focused on utility infrastructure could be established, though this would need to be evaluated in the context of the existing Public Facility Impact Fees to ensure a reasonable cost burden.
- A special assessment to fund stormwater and drainage improvements could be considered.

##### **Transportation**

Transportation improvements include street and highway system improvements, sidewalks, streetscapes, bicycle lanes and paths, public transit systems, and park-and-ride lots.

- Those projects with regional benefit, such as street and highway systems, public transit systems and park-and-ride lots can be funded through the County's Capital Projects and General Obligation Bonds.
- Road improvement fees are collected in San Miguel, Templeton and Nipomo to fund improvements that mitigate the effects of new development and new growth. Road improvement fees cannot be used for maintenance, although periodic and comprehensive rehabilitation projects may be an appropriate use of these fees. In order to be in the

## Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

circulation study, a project must have a nexus to land development projects that pay into it. Road improvement fees are used only to fund cumulative mitigation. Between the three communities, approximately \$42 million could be collected through 2035, although the revenue must be invested in the area from which it was collected. If a project is to receive funding, it must be identified in the community's circulation study. Total street and highway improvements currently total \$303 million, so additional funding sources will need to be identified. Road improvement fees could be collected in Oceano through the formation of a Road Improvement Fee (RIF) area; a Circulation Study would need to be prepared.

- For projects on principal roadways, sidewalk costs potentially could be funded through grants provided through the Congestion Mitigation and Air Quality (CMAQ) Improvement Program or the Safe Routes to School program, which is administered by Caltrans. The CMAQ Program was created in 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA) to fund transportation related projects that are designed to reduce traffic congestion and improve air quality in areas that do not meet air quality standards. Pedestrian and bicycle projects are eligible. The Safe Routes to School program is designed to encourage more children to walk or ride bikes to school by reducing the barriers to doing so, such as a lack of infrastructure or unsafe infrastructure.
- Those improvements that relate directly to the new development (e.g., sidewalks and some streetscape improvements) currently are funded by the developer as part of the new development. Retrofitting sidewalks within existing neighborhoods will likely require some form of property assessment.
- Community Development Block Grants (CDBG) may also be a source of funding for some sidewalk improvements for low-income communities.

### **Public Facilities**

Public facilities improvements include public parks and open space, trails, schools, libraries, community/civic facilities, public service facilities, and public safety buildings.

- The County has already established Public Facility Development Impact Fees for Government, Administration, Sheriff, Parks, Library, and Fire. The fees collected cannot exceed new development's fair share allocation, and therefore, are not available to fund improvements that are required due to existing deficiencies. Based on development potential through 2035, Public Facility Development Impact Fees could total approximately \$16.8 million. With an identified need of \$54.3 million, public facility improvements will require the identification of additional funding sources.
- Quimby Fees can be used for the purchase of new parklands and/or the construction of new parks-related facilities or rehabilitation/restoration of existing park lands and facilities. Quimby Fees apply only to subdivisions and are charged according to Area. San Miguel and Templeton are in Area 1 and Oceano and Nipomo are in Area 4.
- According to the County's Infrastructure and Facilities Capital Improvement Plan, Board policy states that library projects are expected to be funded with 50 percent of the cost coming from the community in which the library improvements are proposed. The library component of the Public Facility Fee revenue is pledged to the Atascadero and Cambria

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library projects for the next 10 or more years, and as such, will not be available to fund expansions or improvements in other communities.<sup>8</sup>

- Other non-project funding may include grants, which may be available to fund a wide spectrum of public facilities, from trail improvements to transit-related improvements.

## **Street Maintenance**

Street maintenance needs are described in the Facilities Inventory as well as in the San Luis Obispo County Pavement Management Plan (typically updated annually). The Facilities Inventory reports that \$6.75 million per year is needed to maintain the countywide road system at the current level through 2018. To improve the road system to the desired condition (Pavement Condition Index (PCI) of 70), annual improvement costs of \$8.75 would be required. Of the 1,080 County-maintained road miles in the County<sup>9</sup>, 1.1 percent are in San Miguel, 3.5 percent are in Templeton, 1.7 percent are in Oceano, and 5.9 percent are in Nipomo. To the extent that a portion of street maintenance costs can be categorized as non-routine, capital improvements, road improvement fees may be an appropriate funding source.<sup>10</sup>

## **Facility Operations and Maintenance**

While facility operations and maintenance costs are not specifically estimated in the Facilities Inventory, each of the identified improvements will have annual maintenance costs associated with them. There are few funding sources available to fund maintenance activities; most funding sources are intended to fund the one-time construction of the improvements or facilities. As such, maintenance costs associated with the types of improvements identified in this report typically will be funded through County or CSD General Fund expenditures and utility rates and charges.

## **Funding Sources and Financing Mechanisms**

### **Land-Secured Financing Mechanisms**

#### ***Mello-Roos CFD Special Tax and Bonds***

*(authorized by Section 53311 et. seq. of the Government Code)*

The Mello-Roos Community Facilities Act of 1982 enables the formation of Community Facilities Districts (CFDs) by local agencies, with two-thirds voter approval (or landowner approval in certain cases), for the purpose of imposing special taxes on property owners. Special tax revenue can be used to fund capital or operations and maintenance expenses, or they may be used to secure a bond issuance and pay the debt service. As taxes increase to 50 percent or

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<sup>8</sup> County of San Luis Obispo, Infrastructure and Facilities Capital Improvement Plan, FY2012-13 – FY2016-17, Appendix 6.

<sup>9</sup> San Luis Obispo County Pavement Management Plan, 2009 Update, page 4.

<sup>10</sup> California Gov't Code Sec. 66001(g) states: "A fee... may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service..." The code includes streets as a public facility.

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more of the basic 1 percent, there is a risk of adverse impacts on land and home prices which would offset any financing benefit associated with the additional special taxes.

## **Infrastructure Financing Districts**

*(authorized by the Infrastructure Financing District Act, Government Code §53395, et seq.)*

The County or individual communities could consider establishing an Infrastructure Financing District (IFD) which would create a mechanism for capturing/re-allocating increased levels of property tax revenues from future development towards investments in capital improvements. The establishment of an IFD is complicated and requires approval by every local taxing entity that will contribute its property tax increment AND also requires 2/3 voter approval to form the IFD and issue bonds. (Note: Proposed legislation would reduce the 2/3 vote to 55%). Only public capital facilities of communitywide significance may be financed; an IFD cannot be used to finance operations and maintenance expenses. Unlike former redevelopment tax increment funding, IFD's can only utilize the County's share of property tax increment (and any other agencies who agree to forego their share of tax increment).

## **Property Tax-Based Funding - General Obligation (G.O.) Bonds**

Special districts are empowered by State statutes to issue G.O. bonds which are secured by a property tax rate (as an override to the Constitutionally-limited one percent basic tax rate). G.O. bonds may be utilized particularly if interest rates and issuance costs are favorable compared to other sources of financing. G.O. bonds require voter approval.<sup>11</sup>

## **General Fund and CIP Funding**

### **County General Fund Contributions to Capital Improvement Programs**

The County's Capital Projects budget includes funding from the Capital Fund and other reserves, grants, departmental funding, bond financing and the General Fund.<sup>12</sup> Policies governing the development and selection of capital improvement projects are set forth in the Budget Policies and Goals approved by the Board of Supervisors each year.

## **Development-Based Financing Mechanisms**

### **County Public Facility Fees**

*(authorized under Title 18 of SLO County Code)*

New private development in unincorporated San Luis Obispo County is charged a public facility impact fee that is used to fund government, administration, sheriff, park, library, and fire facilities. Development impact fees can only fund capital improvements. In addition, the funding only accrues incrementally over time as new development occurs, limiting its ability to fund major infrastructure that may be required in advance of development.

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<sup>11</sup> State bonds require majority voter approval, while local bonds require either 55 percent or two-thirds voter approval.

<sup>12</sup> The Capital Fund is dedicated to funding improvements identified in the capital improvement program and typically includes allocations of one-time and/or periodic funds. The General Fund usually relies on ongoing revenue sources to fund ongoing operations, but may allocate some of these general revenues to the Capital Fund.

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County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated. Based on projected development between 2010 and 2035, the community of San Miguel could generate \$1.4 million in Public Facility Fees;<sup>13</sup> Templeton could generate \$4.5 million; Nipomo could generate \$7.8 million; and Oceano could generate \$3.1 million. These calculations are detailed in **APPENDIX B: Public Facility Fees Calculations**.

**Table 13 Public Facility Fees Revenue Estimate**

Community/ Land Use	Public Facility Fees [1]						Total
	Government	Administration	Sheriff	Park [2]	Library	Fire [3]	
<b>OCEANO</b>							
Residential	\$317,239	\$58,842	\$166,491	\$1,370,010	\$269,744	\$831,765	\$3,014,091
Commercial	\$13,946	\$1,192	\$7,323	\$0	\$4,631	\$34,290	\$61,381
<b>Total</b>	<b>\$331,184</b>	<b>\$60,034</b>	<b>\$173,814</b>	<b>\$1,370,010</b>	<b>\$274,375</b>	<b>\$866,055</b>	<b>\$3,075,473</b>
<b>NIPOMO</b>							
Residential	\$746,727	\$150,356	\$392,161	\$3,225,962	\$635,711	\$2,540,291	\$7,691,207
Commercial	\$40,457	\$3,007	\$21,193	\$0	\$13,407	\$75,305	\$153,369
<b>Total</b>	<b>\$787,184</b>	<b>\$153,363</b>	<b>\$413,354</b>	<b>\$3,225,962</b>	<b>\$649,118</b>	<b>\$2,615,595</b>	<b>\$7,844,576</b>
<b>TEMPLETON [4]</b>							
Residential	\$383,225	\$77,360	\$201,264	\$1,655,605	\$326,264	\$1,313,313	\$3,957,031
Commercial	\$137,383	\$9,695	\$72,215	\$0	\$45,660	\$230,238	\$495,192
<b>Total</b>	<b>\$520,609</b>	<b>\$87,055</b>	<b>\$273,479</b>	<b>\$1,655,605</b>	<b>\$371,924</b>	<b>\$1,543,551</b>	<b>\$4,452,223</b>
<b>SAN MIGUEL</b>							
Residential	\$130,589	\$25,668	\$68,568	\$564,101	\$111,133	\$413,456	\$1,313,515
Commercial	\$22,630	\$1,722	\$11,848	\$0	\$7,496	\$44,214	\$87,910
<b>Total</b>	<b>\$153,219</b>	<b>\$27,390</b>	<b>\$80,416</b>	<b>\$564,101</b>	<b>\$118,629</b>	<b>\$457,670</b>	<b>\$1,401,425</b>

[1] County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated.

[2] Park fees are composed of Land and Development. Those lots which paid a Quimby Fee are exempt from the land portion.

[3] The Fire Fee is the only facility fee on residential development that is not a fixed amount per unit; it varies by unit size. The fee is \$902 per 1,000 square feet. Calculations assume a 2,210 sq.ft. single family home and a 1,000 sq.ft. multifamily unit.

[4] Fire Fees are paid directly to Templeton Community Services District.

Sources: San Luis Obispo County, Planning and Building Department Public Facility Fees Schedule, FY 2011/12; Economic & Planning Systems, Inc.

<sup>13</sup> According to County staff, there are 263 potential lots in the Community of San Miguel on Vesting Tentative Maps that have yet to record. Each of these maps has until 2018 to be recorded. It should be noted that these lots would not be subject to any new impact fees (other than Public Facility Fees and Road Improvement Fees because these fees already exist) or infrastructure financing plan not in place at this time.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

## **Road Improvement Fees**

*(authorized by Title 13 of SLO County Code)*

Several communities in San Luis Obispo County, including San Miguel (east of Mission Street), Nipomo and Templeton, charge road improvement fees to new residential and commercial development to fund improvements that mitigate the future effects of new development. The fee is assessed per PM Peak Hour Trip, and it varies by community (and sometimes within a community) and by land use type (e.g., residential, retail and other). The funds collected are used to finance a variety of capital road improvement projects as identified in each community’s Circulation Study. Though the funds may not be used for road maintenance, major rehabilitation may be an appropriate use of road improvement fees.<sup>14</sup>

Based on potential development between 2010 and 2035, the community of San Miguel could generate \$8.6 million in Road Improvement Fees;<sup>15</sup> Templeton could generate \$116.5 million; and Nipomo could generate \$72.4 million. Oceano does not currently collect road improvement fees. These calculations are detailed in **APPENDIX C: Road Improvement Fees Calculations**.

**Table 14 Road Improvement Fees Revenue Estimate**

Community/ Land Use Category	Amount
<b>OCEANO [1]</b>	-
<b>NIPOMO</b>	
Residential	\$14,810,397
Commercial	\$3,388,952
<b>Total</b>	<b>\$18,199,349</b>
<b>TEMPLETON</b>	
Residential	\$8,871,546
Commercial	\$12,257,655
<b>Total</b>	<b>\$21,129,201</b>
<b>SAN MIGUEL</b>	
Residential	\$1,400,246
Commercial	\$1,517,761
<b>Total</b>	<b>\$2,918,007</b>

[1] Oceano does not currently collect Road Improvement Fees.

Sources: San Luis Obispo County Current Road Fee Schedule, Effective January 21, 2013; Economic & Planning Systems, Inc.

<sup>14</sup> See Footnote #3 re: use of impact fees for a share of road rehabilitation costs.

<sup>15</sup> According to County staff, there are 263 potential lots in the Community of San Miguel on Vesting Tentative Maps that have yet to record. Each of these maps has until 2018 to be recorded. It should be noted that these lots would not be subject to any new impact fees (other than Public Facility Fees and Road Improvement Fees because these fees already exist) or infrastructure financing plan not in place at this time.

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## **Local Area Development Fees**

*(authorized by Section 66000 et. seq. of the Government Code)*

The County is authorized to create local development impact fees to fund infrastructure improvements, and additional development impact fees (in addition to the existing Public Facility Fees) could be created. For example, a stormwater infrastructure development impact fee could help fund drainage improvements. Local impact fees also can be a mechanism to assure proportional cost sharing and may be a key part of the financing strategy.

## **Parkland (Quimby) Fees**

*(authorized by Title 21 of SLO County Code)*

In addition to Public Facility Fees, park and recreation improvements are funded through the Quimby Act requirements (for parkland acquisition) through the subdivision process. Quimby Fees are charged according to Area. San Miguel and Templeton are in Area 1 and Oceano and Nipomo are in Area 4. Those lots that pay a Quimby Fee are exempt from the land portion of the Parks Development Impact Fee.

## **Utility Fees and Connection Charges**

Utility connection charges from new development can fund utility infrastructure improvements. Revenue bonds may be issued secured by a utility rate charge base (water and sewer) and may be used for expansion to serve future development, or for reimbursement to the Developer for initial funding of utility facilities.

## **Benefit Assessment Districts**

*(authorized by Section 54710 et. seq. of the Government Code)*

Under a Benefit Assessment District, property assessments are raised within a specific geographic area, with the proceeds going to provide public improvements or services that benefit the property owners within that area. Only improvements with property-specific benefits (e.g., roads and sidewalk, and sewer and water improvements) can be financed with assessments. There must be a logical relationship between the assessment method and amount and the benefit received by associated property owners or tenants. A special assessment district also requires the voter approval of the owners of a majority of the property within the district.

Different types of assessment districts are supported by specific legislation. Funds generated through a Landscaping and Lighting District (LLD) would be restricted to construction and maintenance of parks, landscaping, and street lighting and can be assessed on both commercial and residential properties.

## **Developer Capital**

Developers are often asked to contribute through project-specific improvements, whether as part of individual project approval or as part of a broader set of area-wide design guidelines/other regulatory requirements. Typical examples might include improvements to the sidewalks in front of the new development and the planting of street trees consistent with the County's or community's direction. Developer contributions can be formalized through Development Agreements (DA) and Certificates of Participation (COP). When applicable, Development Agreements can ensure timely funding of infrastructure development. The agreements should

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enable and specify the terms for the establishment of needed infrastructure financing mechanisms.

Developer contributions would also result from the adoption of any area development impact and/or in-lieu fees, which has feasibility implications for development, especially in the context of all fees/exactions/requirements. Developer construction and fee contributions need to be carefully considered to avoid discouraging new development, which, in turn, reduces fee revenues for improvements that exceed their allocation.

It may be possible to reimburse the Developer from other sources at a future time, assuming the sources are not required for other public purposes, and that the reimbursement is for a qualifying expenditure for public purposes. The private capital is at greatest risk, since public debt will be secured by value of the development and will be in the first position for repayment. Private capital depends on the success of the project and repayment from future land and development sales after the successful completion of infrastructure and public facilities.

## **Grants**

Grants provide external funding from regional, state, and federal sources. Many grants require local matches. Apart from local match requirements, there are significant staff costs associated with grant funding, including staff time during the application process and during the project. Grant funding is often limited to capital improvements with maintenance responsibilities falling to the local jurisdiction.

### ***Regional, State, Federal Transportation Funding***

Transportation authorities may fund portions of certain regional-serving transportation facilities and improvements. For example, San Miguel, Templeton and Nipomo are each served by State Route 101 and each of these communities requires improvements associated with the Route as described in the 2010 Regional Transportation Plan. Similarly, Oceano is served by State Route 1. Because of the regional-serving nature of State Route 101 and State Route 1, statewide transportation funding may be available to fund these improvements.

### ***CMAQ Improvement Program***

One potential grant source is the Congestion Mitigation and Air Quality (CMAQ) Improvement Program. The Congestion Mitigation and Air Quality (CMAQ) Improvement Program was created in 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA) to fund transportation related projects that are designed to reduce traffic congestion and improve air quality in areas that do not meet air quality standards. CMAQ has seven major project categories:

1. Transit
2. Shared Ride
3. Traffic Flow Improvements
4. Demand Management
5. Pedestrian/Bicycle
6. Inspection/Maintenance (I/M) and other Transportation Control Measures (TCMs)
7. Surface Transportation Program (STP)/CMAQ

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Pedestrian and bicycle projects are their own major product category and make up approximately 13 percent of CMAQ projects. Walking and bicycling can also be included in other project categories such as transit by providing bike racks at public transportation stops.

CMAQ Improvement Program funds are available to a wide range of government and non-profit organizations, as well as private entities contributing to public/private partnerships. They are controlled by metropolitan planning organizations (MPOs) and state departments of transportation. Funding is available for areas that do not meet the National Ambient Air Quality Standards (nonattainment areas) as well as former nonattainment areas that are now in compliance (maintenance areas). CMAQ-funded projects may include bicycle and pedestrian facility improvements, bicycle racks and lockers, and individualized marketing initiatives that promote bicycling and walking.

Organizations that want access to CMAQ funds must first ask their Metropolitan Planning Organization (MPO) to place the project on the Transportation Improvement Program (TIP).

### ***Safe Routes to School Program***

The Safe Routes to School program is a grant program administered by Caltrans and could be used to fund sidewalk improvements. The Program is designed to encourage more children to walk or ride bikes to school by reducing the barriers to doing so, such as a lack of infrastructure or unsafe infrastructure. Through the passage of AB 57, the Program was extended indefinitely with funding provided from the State Highway Account.

### **Other Funding Sources**

#### ***Sales Tax Increase***

With two-thirds voter approval, the County could adopt countywide special tax increases, such as a sales tax increase, to fund infrastructure and facility improvements. Depending on the level of tax increase, significant revenues can be generated, though there is often industry and community resistance to such increases. The current sales tax rate (in the four communities) is 7.5 percent.

#### ***California Infrastructure and Economic Development Bank (I-Bank)<sup>16</sup>***

*(authorized by Section 63000 et. seq. of the Government Code)*

The California I-Bank is State-run financing authority that operates the Infrastructure State Revolving Fund (ISRF) Program. This ISRF Program is a statewide program that provides low-cost loans up to \$10 million per project to local municipal governments for a wide variety of public infrastructure that provide local economic development benefits, such as:

- City streets
- County highways
- Drainage, water supply and flood control
- Educational facilities
- Environmental mitigation measures
- Parks and recreational facilities

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<sup>16</sup> More information can be found at <http://www.ibank.ca.gov>.

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- Port facilities
- Power and communications
- Public transit
- Sewage collection and treatment
- Solid waste collection and disposal
- Water treatment and distribution
- Defense conversion
- Public safety facilities
- State highways
- Military infrastructure

An application is required for these loans, and loans require a stable and reliable source of repayment. If approved, loan repayment could be funded through a special tax if approved by voters.

**Exhibit LRP2013-00014:C**  
**Amendment to Chapter 3: Public Facilities, Services,**  
**and Resources, of the San Miguel Community Plan,**  
**Part III of the Land Use and Circulation Elements and**  
**Addition of Appendix A**

- A. Revise Section 3.2, Status of Public Facilities, Services and Resources, as follows.**
  
- B. Add new Appendix A, Infrastructure Funding and Financing Information for the Community of San Miguel, as follows.**

## Chapter 3: Public Facilities, Services, and Resources

### 3.1 Introduction

Chapter 3 provides a description of public facilities, services and basic resources within San Miguel. It identifies capacities and compares them with current and projected demand levels, based on 1995 information. It then identifies appropriate program options that the County might use to deal with current and potential deficiencies. In addition, this chapter identifies programs for improving our basic understanding of existing and potential resources.

Appropriate levels of service for urban, suburban and rural areas are discussed in Framework for Planning (LUCE Part I).

Appropriate development levels within San Miguel are addressed in Chapter 4 of this plan. The intent of Chapter 3 is to provide the public and decision makers with basic information and a range of options to be considered when evaluating growth and development issues. Where appropriate, resource narratives are augmented by graphs indicating estimated resource demand as the population increases toward build-out. Projections of future demand are by the Department of Planning and Building, based upon 1995 per capita demand and a constant annual growth rate.

In addition to the discussion in this chapter, the North County Area Plan describes regional facilities and services that are not necessarily based in San Miguel but are available to North County residents. The Area Plan also describes natural resources and environmental characteristics in the larger North County region, including geological resources, groundwater, soils and agriculture, biological resources, visual resources, and air quality.

**NOTE:** This chapter describes service levels and available resource capacities as of the last major update to the Salinas River Area Plan (1996). More recent data on resource and service levels is available in the County's Resource Summary Report,

### 3.2 Status of Public Facilities, Services, and Resources

[Disadvantaged Communities.](#) Government Code Section 65302.10 requires local governments to update the General Plan to include information regarding infrastructure needs and financing within "disadvantaged unincorporated communities." San Miguel qualifies as one of these communities. According to the Governor's Office of Planning and Research, the purpose of these requirements is to identify disadvantaged communities underserved by public water, sewer and other services and "...to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities." (Technical Advisory for Senate Bill 244, Land Use, General Plans, and Disadvantaged Communities, February 15, 2013).

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[Consistent with Government Code Section 65301.10, this chapter includes a description of water, wastewater, storm water drainage, and structural fire protection. In addition, this Community Plan includes an appendix \(Appendix A\) that provides an analysis of needs and deficiencies in the community, as well as an analysis of financing alternatives that could make the extension of services financially feasible.](#)

[Additional information on public services, facilities and infrastructure in San Miguel is found in the LAFCo-adopted Sphere of Influence Update and Municipal Service Review for the Templeton Community Services District, San Miguel Community Services District and Heritage Ranch Community Services District \(November 2013\). That document identifies public services needs, present capacity of public facilities, adequacy of public services, infrastructure needs and deficiencies and financing constraints and opportunities.](#)

## **Water Supply**

San Miguel's water supply is groundwater pumped from the Paso Robles groundwater basin, whose annual yield is 47,000 AFY. Water facilities for San Miguel, including San Lawrence Terrace' are supplied through County Waterworks Districts No. 1. No estimate is available of the amount of water in that portion of the basin accessible to the district. The service area of Waterworks District No. 1 is shown in Figure 3-1. San Miguel's water has a capacity of 700 AFY. As of 1993, San Miguel has a water demand of 250 AFY for a population of 1,235 residents.

Perennial facility problems have included the need for additional production wells to serve the projected population, high maintenance costs on water mains due to excessive rust, inadequate storage facilities for required fire flows, the need to replace old fire hydrants, and water quality concerns. These problems have been addressed by a \$1.148 million construction loan and grant for system upgrades. An assessment district has been formed to repay the loan. Improvements were completed in 1994, and should provide adequate system capacity beyond the year 2000. Projected water demand for San Miguel is shown in Figure 3-2.

## **Appendix A Infrastructure Funding and Financing Information for the Community of San Miguel**

This appendix is excerpted from the Complete Communities Survey: Funding and Financing Plan, November 18, 2013, which was prepared for the County of San Luis Obispo by Economic & Planning Systems, Inc. with Placeworks and Rick Engineering Company (funded by a Sustainable Communities Grant from the California Strategic Growth Council).

***Disclaimer:** The statements and conclusions of the Complete Communities Survey are those of Placeworks, EPS, and Rick Engineering and not necessarily those of the Strategic Growth Council or of the Department of Conservation, or its employees. The Strategic Growth Council and the Department make no warranties, express or implied, and assume no liability for the information contained in the succeeding text.*

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## Facility Needs and Costs

The Facilities Inventory identified \$28 million of facility needs between now and 2035 in San Miguel, nearly 40 percent of which are attributable to existing deficiencies, while the remainder will be required to meet the demands of new population growth. Together, transportation and stormwater improvements represent \$22 million, or 81 percent of total facility costs. Sidewalk cost estimates are shown in detail *in the table in this report*. The stormwater improvements are particularly critical. Due to insufficient drainage and stormwater controls, the community of San Miguel experiences regular flooding conditions, particularly between Mission Street and the railroad.

**Table 3 San Miguel Capital Improvement Program Summary**

Category	Costs Attributable to Existing Deficiencies	Costs Attributable to New Growth (through 2035)	Total Costs
Utility Infrastructure	\$3,723,000	\$7,750,500	\$11,473,500
Transportation [1]			
Street & Highway Systems	\$2,096,000	\$5,200,000	\$7,296,000
Sidewalks [2]	\$1,879,006	\$1,130,372	\$3,009,378
Other Transportation	\$0	\$820,000	\$820,000
Subtotal, Transportation	\$3,975,006	\$7,150,372	\$11,125,378
Public Facilities	\$2,600,000	\$2,617,000	\$5,217,000
<b>Total</b>	<b>\$10,298,006</b>	<b>\$17,517,872</b>	<b>\$27,815,878</b>

[1] With the exception of sidewalk costs, transportation costs attributable to existing deficiencies have been estimated as \$0 due to how the County of San Luis Obispo Department of Public Works defines a transportation deficiency. A traffic fee program was adopted for the Community of San Miguel in 2006 to fund future transportation related infrastructure projects needed to serve anticipated population growth trends. If a roadway or intersection is operating below a LOS C (rural) and LOS D (urban) at the time of the adoption of the traffic fee program, that facility is considered to have an existing deficiency. At the time of adoption of the traffic fee program, there were no facilities operating at a LOS C (rural) and LOS D (urban) and therefore the existing deficiencies are listed as \$0.

[2] These estimates do not include sidewalks for the Residential Suburban category because although sidewalks are required for new residential subdivisions, they have not been historically required in rural residential areas and are not required with individual construction permits. The Facilities Inventory indicates 3.6 miles of sidewalk are needed through 2035 to serve existing and new Residential Suburban development in the Community of San Miguel. This estimate is inclusive of sidewalk miles that are needed due to existing deficiencies as well as sidewalk miles needed to accommodate future growth. While developers will be required to fund sidewalk improvements due to new growth, the Community of San Miguel will need to determine how much of the existing deficiency it is a priority to provide. The Facilities Inventory does not indicate what percentage of future RS sidewalk miles are needed to serve existing deficiencies versus new growth. However, if the Community were to prioritize the provision of 5 percent of the required RS sidewalk miles (assuming that the existing deficiency is at least that), that would result in total costs of \$24,000 through 2020 and \$54,000 between 2020 and 2035.

Sources: County of San Luis Obispo Facilities Inventory, 2012; Economic & Planning Systems, Inc.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

## ***Utility Infrastructure***

The Facilities Inventory indicates that \$11.5 million of utility infrastructure improvements are needed in San Miguel to remedy existing deficiencies and support new growth through 2035, including \$3.7 million to fund existing stormwater deficiencies. Required improvements include water supply, water distribution, wastewater and stormwater improvements.

The Facilities Inventory reports that the community will face water supply shortfalls by 2040 (assumed 2035 for this analysis) and the estimated cost of a new well is \$287,500. Stormwater improvements represent an immediate concern. Of the \$5.1 million in required stormwater infrastructure improvements, \$3.7 million are attributable to existing deficiencies and include storm drain pipes, jack and bore operations under the railroad, and drainage ditches and outfall structures. In the longer term, curb and gutter improvements are needed throughout the community.

## ***Transportation***

Required transportation improvements include street and highway systems, sidewalks and streetscapes. Street and highway systems improvements, such as the widening of River Road, Mission Street traffic signals, and Highway 101 intersection and interchange improvements, represent the second most costly facility (behind utility infrastructure) needs at a total estimated cost of \$11.1 million (40 percent of the total needs/costs identified for San Miguel). The River Road widening project is estimated to cost \$2.1 million and was to have been completed by 2010. A funding gap of \$922,000 has put the project on hold according to the Facilities Inventory (Table 2-8).

## ***Public Facilities***

Public facilities in San Miguel include fire and Community Services District (CSD) buildings, parks and open space, a library, civic/community facilities, senior and health care facilities, and a public school. In San Miguel, identified public facilities improvements include public parks and open space, an expansion to the North County (San Miguel/Templeton) Sheriff station, and a library expansion.

- The County Sheriff has indicated that additional space will be needed at the North County Station by 2035 when it is fully staffed. Approximately 6,000 square feet of space would be needed for a locker room, report writing room, and work stations at an estimated cost of approximately \$1.5 million (to be shared between San Miguel and Templeton).<sup>1</sup>
- There are existing deficiencies related to public parks and open space. Of \$3.7 million identified improvements, \$2.3 million are attributable to existing deficiencies.

## ***Community Priorities***

On October 4, 2012, a public workshop was held that included exercises focusing on which community facilities should be prioritized through 2035. Furthermore, a Facilities Inventory Survey was sent to San Miguel residents that asked them to prioritize community facilities for the community.

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<sup>1</sup> Estimate is based on a conversation between County staff and Rob Reid of the Sheriff's Office.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

The highest ranking priorities for San Miguel according to input from the Community Workshop and Survey are as follows:

- Water Systems
- Sewer Systems
- Streetscape Improvements
- Park and Ride Lots
- Schools
- Water Supply
- Storm Drainage
- Fire and Police Buildings

Based on this input, it is recommended that San Miguel's infrastructure be a high priority. The community members that participated in the workshop identified the water system and a secure water supply as priorities. It is also recommended that drainage systems be prioritized since San Miguel lacks drainage and stormwater control systems in many areas, which workshop participants indicated results in flood hazards.

In addition to infrastructure, public safety buildings should be prioritized. A police substation was identified a high priority in the workshop. San Miguel currently receives police services from a Sheriff Patrol station in Templeton.

## Templeton

### Demographics and Development Trends

Templeton is a community in San Luis Obispo County, located approximately mid-way between the county border to the north and the City of San Luis Obispo to the south. Templeton has a current population of approximately 7,000 people. The population is projected to grow by 1.1 percent per year for an overall increase of 31 percent to 9,100 people by 2035. There are approximately 2,580 housing units in Templeton currently, with approximately 2.7 people per dwelling unit. Assuming this current ratio of people per dwelling unit remains consistent over time, there will be approximately 3,380 housing units in Templeton in 2035.

There are approximately 3,100 jobs in the community. Of Templeton's employed residents, approximately 90 percent commute outside of Templeton.

**Table 4 Population, Households and Jobs in Templeton**

Item	2010	2020	2035	2010 to 2035		
				Number	Annual Rate	Overall Increase
Templeton						
Population	6,976	7,739	9,128	2,152	1.1%	30.8%
Housing Units	2,580	2,866	3,381	801	1.1%	31.0%
Jobs [1]	3,133					

[1] Job count reflects "Primary Jobs" as extracted from the U.S. Census' LED on the Map, 2010 data.

Sources: San Luis Obispo County 2011 Population Projection: Mdrange Growth Scenario; U.S. Census Bureau, Center for Economic Studies; Economic & Planning Systems, Inc.

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**San Miguel Capital Improvement Program  
County of San Luis Obispo Funding and Financing Plan; EPS #21087**

Category	Costs Attributable to Existing Deficiencies	2020 Cost	2025 Cost	2030 Cost	2035 Cost	Costs Attributable to New Growth	Total Cost	Existing Funding
<u>Utility Infrastructure</u>								
Water Supply					\$287,500	\$287,500	\$287,500	
Water Distribution		\$1,400,000			\$2,700,000	\$4,100,000	\$4,100,000	
Wastewater		\$300,000			\$1,700,000	\$2,000,000	\$2,000,000	
Stormwater	\$3,723,000				\$1,363,000	\$1,363,000	\$5,086,000	
Solid Waste						<u>\$0</u>	<u>\$0</u>	
<b>Subtotal</b>	<b>\$3,723,000</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,050,500</b>	<b>\$7,750,500</b>	<b>\$11,473,500</b>	<b>\$0</b>
<u>Transportation</u>								
Street & Highway Systems	\$2,096,000		\$900,000		\$4,300,000	\$5,200,000	\$7,296,000	\$1,173,760
Sidewalks	\$1,879,006	\$340,696			\$789,676	\$1,130,372	\$3,009,378	
Streetscapes		\$250,000			\$570,000	\$820,000	\$820,000	
Bicycle Lanes & Paths						\$0	\$0	
Public Transit Systems						\$0	\$0	
Park & Ride Lots						<u>\$0</u>	<u>\$0</u>	
<b>Subtotal</b>	<b>\$3,975,006</b>	<b>\$590,696</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$5,659,676</b>	<b>\$7,150,372</b>	<b>\$11,125,378</b>	<b>\$1,173,760</b>
<u>Public Facilities</u>								
Public Parks & Open Space	\$2,300,000	\$440,000			\$1,000,000	\$1,440,000	\$3,740,000	
Trails						\$0	\$0	
Schools						\$0	\$0	
Libraries	\$300,000	\$127,000			\$300,000	\$427,000	\$727,000	
Community/Civic Facilities						\$0	\$0	
Public Service Facilities						\$0	\$0	
Public Safety Buildings					\$750,000	<u>\$750,000</u>	<u>\$750,000</u>	
<b>Subtotal</b>	<b>\$2,600,000</b>	<b>\$567,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,050,000</b>	<b>\$2,617,000</b>	<b>\$5,217,000</b>	<b>\$0</b>
<b>Total</b>	<b>\$10,298,006</b>	<b>\$2,857,696</b>	<b>\$900,000</b>	<b>\$0</b>	<b>\$13,760,176</b>	<b>\$17,517,872</b>	<b>\$27,815,878</b>	<b>\$1,173,760</b>

Sources: County of San Luis Obispo Facilities Inventory; Economic & Planning Systems, Inc.

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Public Facility Fees Calculation  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Community/ Land Use Category	New Development (through 2035)	Public Facility Fees [1]													
		Government		Administration		Sheriff		Park [2]		Library		Fire [3]		Total	
		Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount	Fee Level (per Unit or per 1,000 Sq.Ft.)	Amount
<b>OCEANO</b>															
<b>Residential (units)</b>															
Single Family	157	\$533	\$83,561	\$111	\$17,402	\$280	\$43,897	\$2,303	\$361,053	\$454	\$71,176	\$1,994	\$312,609	\$5,675	\$889,698
Multifamily	578	\$406	\$233,677	\$72	\$41,440	\$213	\$122,594	\$1,753	\$1,008,957	\$345	\$198,568	\$902	\$519,155	\$3,691	\$2,124,393
<b>Subtotal, Residential</b>	<b>732</b>		<b>\$317,239</b>		<b>\$58,842</b>		<b>\$166,491</b>		<b>\$1,370,010</b>		<b>\$269,744</b>		<b>\$831,765</b>		<b>\$3,014,091</b>
<b>Commercial (sq.ft.)</b>															
Office	0	\$719	\$0	\$45	\$0	\$378	\$0			\$239	\$0	\$902	\$0	\$2,283	\$0
Retail	17,880	\$432	\$7,724	\$34	\$608	\$226	\$4,041			\$143	\$2,557	\$902	\$16,127	\$1,737	\$31,057
Service	16,217		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	20,136	\$309	\$6,222	\$29	\$584	\$163	\$3,282			\$103	\$2,074	\$902	\$18,162	\$1,506	\$30,324
<b>Subtotal, Commercial</b>	<b>54,232</b>		<b>\$13,946</b>		<b>\$1,192</b>		<b>\$7,323</b>		<b>\$0</b>		<b>\$4,631</b>		<b>\$34,290</b>		<b>\$61,381</b>
<b>Total, Oceano</b>			<b>\$331,184</b>		<b>\$60,034</b>		<b>\$173,814</b>		<b>\$1,370,010</b>		<b>\$274,375</b>		<b>\$866,055</b>		<b>\$3,075,473</b>
<b>NIPOMO</b>															
<b>Residential (units)</b>															
Single Family	1,088	\$533	\$580,030	\$111	\$120,794	\$280	\$304,706	\$2,303	\$2,506,210	\$454	\$494,060	\$1,994	\$2,169,944	\$5,675	\$6,175,744
Multifamily	411	\$406	\$166,697	\$72	\$29,562	\$213	\$87,454	\$1,753	\$719,753	\$345	\$141,651	\$902	\$370,346	\$3,691	\$1,515,463
<b>Subtotal, Residential</b>	<b>1,499</b>		<b>\$746,727</b>		<b>\$150,356</b>		<b>\$392,161</b>		<b>\$3,225,962</b>		<b>\$635,711</b>		<b>\$2,540,291</b>		<b>\$7,691,207</b>
<b>Commercial (sq.ft.)</b>															
Office	15,297	\$719	\$10,999	\$45	\$688	\$378	\$5,782			\$239	\$3,656	\$902	\$13,798	\$2,283	\$34,923
Retail	68,189	\$432	\$29,458	\$34	\$2,318	\$226	\$15,411			\$143	\$9,751	\$902	\$61,507	\$1,737	\$118,445
Service	33,301		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	0	\$309	\$0	\$29	\$0	\$163	\$0			\$103	\$0	\$902	\$0	\$1,506	\$0
<b>Subtotal, Commercial</b>	<b>116,788</b>		<b>\$40,457</b>		<b>\$3,007</b>		<b>\$21,193</b>		<b>\$0</b>		<b>\$13,407</b>		<b>\$75,305</b>		<b>\$153,369</b>
<b>Total, Nipomo</b>			<b>\$787,184</b>		<b>\$153,363</b>		<b>\$413,354</b>		<b>\$3,225,962</b>		<b>\$649,118</b>		<b>\$2,615,595</b>		<b>\$7,844,576</b>
<b>TEMPLETON [4]</b>															
<b>Residential (units)</b>															
Single Family	570	\$533	\$304,006	\$111	\$63,311	\$280	\$159,703	\$2,303	\$1,313,556	\$454	\$258,947	\$1,994	\$1,137,312	\$5,675	\$3,236,835
Multifamily	195	\$406	\$79,220	\$72	\$14,049	\$213	\$41,561	\$1,753	\$342,049	\$345	\$67,317	\$902	\$176,000	\$3,691	\$720,197
<b>Subtotal, Residential</b>	<b>765</b>		<b>\$383,225</b>		<b>\$77,360</b>		<b>\$201,264</b>		<b>\$1,655,605</b>		<b>\$326,264</b>		<b>\$1,313,313</b>		<b>\$3,957,031</b>
<b>Commercial (sq.ft.)</b>															
Office	128,154	\$719	\$92,143	\$45	\$5,767	\$378	\$48,442			\$239	\$30,629	\$902	\$115,595	\$2,283	\$292,575
Retail	48,512	\$432	\$20,957	\$34	\$1,649	\$226	\$10,964			\$143	\$6,937	\$902	\$43,758	\$1,737	\$84,265
Service	78,853		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	78,587	\$309	\$24,283	\$29	\$2,279	\$163	\$12,810			\$103	\$8,094	\$902	\$70,885	\$1,506	\$118,352
<b>Subtotal, Commercial</b>	<b>334,105</b>		<b>\$137,383</b>		<b>\$9,695</b>		<b>\$72,215</b>		<b>\$0</b>		<b>\$45,660</b>		<b>\$230,238</b>		<b>\$495,192</b>
<b>Total, Templeton</b>			<b>\$520,609</b>		<b>\$87,055</b>		<b>\$273,479</b>		<b>\$1,655,605</b>		<b>\$371,924</b>		<b>\$1,543,551</b>		<b>\$4,452,223</b>
<b>SAN MIGUEL</b>															
<b>Residential (units)</b>															
Single Family	152	\$533	\$81,169	\$111	\$16,904	\$280	\$42,640	\$2,303	\$350,716	\$454	\$69,138	\$1,994	\$303,660	\$5,675	\$864,227
Multifamily	122	\$406	\$49,420	\$72	\$8,764	\$213	\$25,927	\$1,753	\$213,384	\$345	\$41,995	\$902	\$109,796	\$3,691	\$449,288
<b>Subtotal, Residential</b>	<b>274</b>		<b>\$130,589</b>		<b>\$25,668</b>		<b>\$68,568</b>		<b>\$564,101</b>		<b>\$111,133</b>		<b>\$413,456</b>		<b>\$1,313,515</b>
<b>Commercial (sq.ft.)</b>															
Office	5,066	\$719	\$3,642	\$45	\$228	\$378	\$1,915			\$239	\$1,211	\$902	\$4,569	\$2,283	\$11,565
Retail	43,952	\$432	\$18,987	\$34	\$1,494	\$226	\$9,933			\$143	\$6,285	\$902	\$39,645	\$1,737	\$76,344
Service	6,761		\$0		\$0		\$0				\$0		\$0	\$0	\$0
Industrial	0	\$309	\$0	\$29	\$0	\$163	\$0			\$103	\$0	\$902	\$0	\$1,506	\$0
<b>Subtotal, Commercial</b>	<b>55,778</b>		<b>\$22,630</b>		<b>\$1,722</b>		<b>\$11,848</b>		<b>\$0</b>		<b>\$7,496</b>		<b>\$44,214</b>		<b>\$87,910</b>
<b>Total, San Miguel</b>			<b>\$153,219</b>		<b>\$27,390</b>		<b>\$80,416</b>		<b>\$564,101</b>		<b>\$118,629</b>		<b>\$457,670</b>		<b>\$1,401,425</b>

[1] County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated.  
 [2] Park fees are composed of Land and Development. Those lots which paid a Quimby Fee are exempt from the land portion.  
 [3] The Fire Fee is the only facility fee on residential development that is not a fixed amount per unit; it varies by unit size. The fee is \$902 per 1,000 square feet. Calculations assume a 2,210 sq.ft. single family home and a 1,000 sq.ft. multifamily unit.  
 [4] Fire Fees are paid directly to Templeton Community Services District.

Sources: San Luis Obispo County, Planning and Building Department Public Facility Fees Schedule, FY 2010/11; Economic & Planning Systems, Inc.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

**Road Improvement Fees Calculation**  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Community/ Land Use Category	New Development (through 2035)	Trip Generation Rate [1] (PM Peak Hour)	Road Improvement Fee [2] (per PM Peak Hour Trip)	Amount
<b>OCEANO [3]</b>				
<b>Residential (units)</b>				
Single Family	157	1.00	n/a	-
Multifamily	<u>576</u>	0.62	n/a	-
<b>Subtotal, Residential</b>	<b>732</b>			-
<b>Commercial (sq.ft.)</b>				
Office	0	1.49	n/a	-
Retail	17,880	3.73	n/a	-
Service	16,217	11.15	n/a	-
Industrial	<u>20,136</u>	0.97	n/a	-
<b>Subtotal, Commercial</b>	<b>54,232</b>			-
<b>Total, Oceano</b>				-
<b>NIPOMO</b>				
<b>Residential (units)</b>				
Single Family	1,088	1.00	\$11,030	\$12,002,709
Multifamily	<u>411</u>	0.62	\$11,030	<u>\$2,807,688</u>
<b>Subtotal, Residential</b>	<b>1,499</b>			<b>\$14,810,397</b>
<b>Commercial (sq.ft.)</b>				
Office	15,297	1.49	\$6,058	\$138,079
Retail	68,189	3.73	\$3,938	\$1,001,490
Service	33,301	11.15	\$6,058	\$2,249,383
Industrial	<u>0</u>	0.97	\$6,058	<u>\$0</u>
<b>Subtotal, Commercial</b>	<b>116,788</b>			<b>\$3,388,952</b>
<b>Total, Nipomo</b>				<b>\$18,199,349</b>
<b>TEMPLETON</b>				
<b>Residential (units)</b>				
Single Family	570	1.00	\$12,832	\$7,319,144
Multifamily	<u>195</u>	0.62	\$12,832	<u>\$1,552,402</u>
<b>Subtotal, Residential</b>	<b>765</b>			<b>\$8,871,546</b>
<b>Commercial (sq.ft.)</b>				
Office	128,154	1.49	\$9,462	\$1,806,698
Retail	48,512	3.73	\$7,797	\$1,410,924
Service	78,853	11.15	\$9,462	\$8,318,778
Industrial	<u>78,587</u>	0.97	\$9,462	<u>\$721,256</u>
<b>Subtotal, Commercial</b>	<b>334,105</b>			<b>\$12,257,655</b>
<b>Total, Templeton</b>				<b>\$21,129,201</b>
<b>SAN MIGUEL</b>				
<b>Residential (units)</b>				
Single Family	152	1.00	\$6,148	\$936,259
Multifamily	<u>122</u>	0.62	\$6,148	<u>\$463,987</u>
<b>Subtotal, Residential</b>	<b>274</b>			<b>\$1,400,246</b>
<b>Commercial (sq.ft.)</b>				
Office	5,066	1.49	\$6,148	\$46,406
Retail	43,952	3.73	\$6,148	\$1,007,907
Service	6,761	11.15	\$6,148	\$463,448
Industrial	<u>0</u>	0.97	\$6,148	<u>\$0</u>
<b>Subtotal, Commercial</b>	<b>55,778</b>			<b>\$1,517,761</b>
<b>Total, San Miguel</b>				<b>\$2,918,007</b>

[1] Trip Generation Rates from ITE's Trip Generation Manual, as provided by County staff, December 2012. Single Family is assumed to be code 210: Single Family Detached Housing. Multifamily is assumed to be code 220: Apartment. Office is assumed to be code 710: General Office Building. Retail is assumed to be code 820: Shopping Center. Service is assumed to be code 932: High Turnover (Sit-Down) Restaurant. Industrial is assumed to be code 110: General Light Industrial.

[2] Where multiple rates are provided per land use type, EPS has calculated an average.

[3] Oceano does not currently collect Road Improvement Fees.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

**Sidewalk Calculations and Costs by Community**  
County of San Luis Obispo Funding and Financing Plan; EPS #21087

Item	Assumption	Nipomo	Templeton	Oceano	San Miguel
Total Future Sidewalk Miles [1]		86.7	64.3	56.9	19.0
Existing Sidewalk Miles		35.7	30.1	18.8	6.1
Gap (due to Existing Deficiency and New Growth)		51.0	34.2	38.1	12.9
Growth Rate (through 2020)		9.7%	10.9%	9.7%	12.9%
Growth Rate (through 2035)		30.5%	30.8%	26.6%	42.8%
New Sidewalk Miles (2010 through 2020)		3.5	3.3	1.8	0.8
New Sidewalk Miles (2020 through 2035)		7.4	6.0	3.2	1.8
New Sidewalk Costs (2010 through 2020)	\$82 per linear ft.	\$1,499,297	\$1,420,498	\$789,546	\$340,696
New Sidewalk Costs (2020 through 2035)	\$82 per linear ft.	\$3,214,988	\$2,593,387	\$1,375,601	\$789,676
<u>Deficiency Calculation [2]</u>					
Number of Parcels		5,119	2,545	2,311	862
Total Residential Parcels		3,214	1,348	1,984	605
Percent of Parcels Residential		62.8%	53.0%	85.9%	70.2%
Total Deficient Residential Parcels [1]		1,474	477	923	290
Percent of Residential Parcels Deficient		45.9%	35.4%	46.5%	47.9%
Total Residential Sidewalk Miles Needed		32.0	18.1	32.7	9.1
Total Residential Sidewalk Miles Needed due to Deficiency		14.7	6.4	15.2	4.3
Cost Attributable to Existing Deficiencies	\$82 per linear ft.	\$6,358,143	\$2,775,265	\$6,588,317	\$1,879,006
<u>Residential Suburban</u>					
Total RS Sidewalk Miles		65.1	25.8	0	3.6
Existing Sidewalk Miles		0	0	0	0
New Sidewalk Miles (2010 through 2020)		20.7	9.1	0	1.1
New Sidewalk Miles (2020 through 2035)		44.4	16.7	0	2.5
If 5% Provided (2010 through 2020)	5%	1.0	0.5	0.0	0.1
If 5% Provided (2020 through 2035)	5%	2.2	0.8	0.0	0.1
New Sidewalk Costs (2010 through 2020)	\$82 per linear ft.	\$448,114	\$196,997	\$0	\$23,813
New Sidewalk Costs (2020 through 2035)	\$82 per linear ft.	\$961,171	\$361,522	\$0	\$54,120

[1] These estimates do not include sidewalks for the Residential Suburban category because although sidewalks are required for new residential subdivisions, they have not been historically required in rural residential areas and are not required with individual construction permits. However, the Facilities Inventory indicates the number of sidewalk miles needed through 2035 to serve existing and new Residential Suburban development in each of the communities. This estimate is inclusive of sidewalk miles that are needed due to existing deficiencies as well as sidewalk miles needed to accommodate future growth. While developers will be required to fund sidewalk improvements due to new growth, each of the communities will need to determine how much of the existing deficiency it is a priority to provide. The Facilities Inventory does not indicate what percentage of future RS sidewalk miles are needed to serve existing deficiencies versus new growth.

[2] Deficiency assumptions are provided by the County and described below:

RSF deficiency defined as follows:

- If vacant parcel, no existing deficiency.
- If developed with SF and subdivision possible, no existing deficiency.
- If developed with SF and no subdivision possible, parcel represents an existing deficiency.

RMF deficiency defined as follows:

- If vacant parcel, no existing deficiency.
- If developed with residential and additional units allowed, no existing deficiency.
- If developed with residential and no additional units allowed, parcel represents an existing deficiency.

No existing deficiencies for all other land use categories.

Source: County of San Luis Obispo.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

## 3. *FUNDING AND FINANCING MECHANISMS*

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There are a number of funding sources and financing mechanisms that can be applied to fund the capital infrastructure and facility improvements identified in the Facilities Inventory. Many are already in place, while others represent potential options for consideration. They are described in more detail below.

Whether a particular funding source is appropriate for a given improvement will depend on a number of factors, such as the type of improvement, whether the improvement is needed to address existing deficiencies or serve new development, how the combined burden of fees and/or assessments and taxes affect development feasibility, and the timing of funds versus the need for improvements.

### **Sources of Funds by Type of Improvement**

#### **Utility Infrastructure**

Utility infrastructure improvements include water supply, water distribution, wastewater, stormwater, and solid waste improvements.

- The County's Infrastructure and Facilities Five Year Capital Improvement Plan (CIP) includes public infrastructure projects, such as water and wastewater systems, which are typically funded with revenues collected by Community Service Districts (CSDs) from connection fees, rates and charges to system customers and grants or loans from State or Federal sources. CSD projects are not included in the County's CIP.
- Localized drainage projects have historically been funded through General Flood Control District reserve funds. For larger drainage projects, assessment districts have been established, and the revenues have been used to leverage Federal FEMA funds and State Proposition 1E Funds.
- Local Area Development Impact Fees focused on utility infrastructure could be established, though this would need to be evaluated in the context of the existing Public Facility Impact Fees to ensure a reasonable cost burden.
- A special assessment to fund stormwater and drainage improvements could be considered.

#### **Transportation**

Transportation improvements include street and highway system improvements, sidewalks, streetscapes, bicycle lanes and paths, public transit systems, and park-and-ride lots.

- Those projects with regional benefit, such as street and highway systems, public transit systems and park-and-ride lots can be funded through the County's Capital Projects and General Obligation Bonds.
- Road improvement fees are collected in San Miguel, Templeton and Nipomo to fund improvements that mitigate the effects of new development and new growth. Road improvement fees cannot be used for maintenance, although periodic and comprehensive rehabilitation projects may be an appropriate use of these fees. In order to be in the

## Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

circulation study, a project must have a nexus to land development projects that pay into it. Road improvement fees are used only to fund cumulative mitigation. Between the three communities, approximately \$42 million could be collected through 2035, although the revenue must be invested in the area from which it was collected. If a project is to receive funding, it must be identified in the community's circulation study. Total street and highway improvements currently total \$303 million, so additional funding sources will need to be identified. Road improvement fees could be collected in Oceano through the formation of a Road Improvement Fee (RIF) area; a Circulation Study would need to be prepared.

- For projects on principal roadways, sidewalk costs potentially could be funded through grants provided through the Congestion Mitigation and Air Quality (CMAQ) Improvement Program or the Safe Routes to School program, which is administered by Caltrans. The CMAQ Program was created in 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA) to fund transportation related projects that are designed to reduce traffic congestion and improve air quality in areas that do not meet air quality standards. Pedestrian and bicycle projects are eligible. The Safe Routes to School program is designed to encourage more children to walk or ride bikes to school by reducing the barriers to doing so, such as a lack of infrastructure or unsafe infrastructure.
- Those improvements that relate directly to the new development (e.g., sidewalks and some streetscape improvements) currently are funded by the developer as part of the new development. Retrofitting sidewalks within existing neighborhoods will likely require some form of property assessment.
- Community Development Block Grants (CDBG) may also be a source of funding for some sidewalk improvements for low-income communities.

### **Public Facilities**

Public facilities improvements include public parks and open space, trails, schools, libraries, community/civic facilities, public service facilities, and public safety buildings.

- The County has already established Public Facility Development Impact Fees for Government, Administration, Sheriff, Parks, Library, and Fire. The fees collected cannot exceed new development's fair share allocation, and therefore, are not available to fund improvements that are required due to existing deficiencies. Based on development potential through 2035, Public Facility Development Impact Fees could total approximately \$16.8 million. With an identified need of \$54.3 million, public facility improvements will require the identification of additional funding sources.
- Quimby Fees can be used for the purchase of new parklands and/or the construction of new parks-related facilities or rehabilitation/restoration of existing park lands and facilities. Quimby Fees apply only to subdivisions and are charged according to Area. San Miguel and Templeton are in Area 1 and Oceano and Nipomo are in Area 4.
- According to the County's Infrastructure and Facilities Capital Improvement Plan, Board policy states that library projects are expected to be funded with 50 percent of the cost coming from the community in which the library improvements are proposed. The library component of the Public Facility Fee revenue is pledged to the Atascadero and Cambria

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

library projects for the next 10 or more years, and as such, will not be available to fund expansions or improvements in other communities.<sup>8</sup>

- Other non-project funding may include grants, which may be available to fund a wide spectrum of public facilities, from trail improvements to transit-related improvements.

## **Street Maintenance**

Street maintenance needs are described in the Facilities Inventory as well as in the San Luis Obispo County Pavement Management Plan (typically updated annually). The Facilities Inventory reports that \$6.75 million per year is needed to maintain the countywide road system at the current level through 2018. To improve the road system to the desired condition (Pavement Condition Index (PCI) of 70), annual improvement costs of \$8.75 would be required. Of the 1,080 County-maintained road miles in the County<sup>9</sup>, 1.1 percent are in San Miguel, 3.5 percent are in Templeton, 1.7 percent are in Oceano, and 5.9 percent are in Nipomo. To the extent that a portion of street maintenance costs can be categorized as non-routine, capital improvements, road improvement fees may be an appropriate funding source.<sup>10</sup>

## **Facility Operations and Maintenance**

While facility operations and maintenance costs are not specifically estimated in the Facilities Inventory, each of the identified improvements will have annual maintenance costs associated with them. There are few funding sources available to fund maintenance activities; most funding sources are intended to fund the one-time construction of the improvements or facilities. As such, maintenance costs associated with the types of improvements identified in this report typically will be funded through County or CSD General Fund expenditures and utility rates and charges.

## **Funding Sources and Financing Mechanisms**

### **Land-Secured Financing Mechanisms**

#### ***Mello-Roos CFD Special Tax and Bonds***

*(authorized by Section 53311 et. seq. of the Government Code)*

The Mello-Roos Community Facilities Act of 1982 enables the formation of Community Facilities Districts (CFDs) by local agencies, with two-thirds voter approval (or landowner approval in certain cases), for the purpose of imposing special taxes on property owners. Special tax revenue can be used to fund capital or operations and maintenance expenses, or they may be used to secure a bond issuance and pay the debt service. As taxes increase to 50 percent or

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<sup>8</sup> County of San Luis Obispo, Infrastructure and Facilities Capital Improvement Plan, FY2012-13 – FY2016-17, Appendix 6.

<sup>9</sup> San Luis Obispo County Pavement Management Plan, 2009 Update, page 4.

<sup>10</sup> California Gov't Code Sec. 66001(g) states: "A fee... may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service..." The code includes streets as a public facility.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

more of the basic 1 percent, there is a risk of adverse impacts on land and home prices which would offset any financing benefit associated with the additional special taxes.

## **Infrastructure Financing Districts**

*(authorized by the Infrastructure Financing District Act, Government Code §53395, et seq.)*

The County or individual communities could consider establishing an Infrastructure Financing District (IFD) which would create a mechanism for capturing/re-allocating increased levels of property tax revenues from future development towards investments in capital improvements. The establishment of an IFD is complicated and requires approval by every local taxing entity that will contribute its property tax increment AND also requires 2/3 voter approval to form the IFD and issue bonds. (Note: Proposed legislation would reduce the 2/3 vote to 55%). Only public capital facilities of communitywide significance may be financed; an IFD cannot be used to finance operations and maintenance expenses. Unlike former redevelopment tax increment funding, IFD's can only utilize the County's share of property tax increment (and any other agencies who agree to forego their share of tax increment).

## **Property Tax-Based Funding - General Obligation (G.O.) Bonds**

Special districts are empowered by State statutes to issue G.O. bonds which are secured by a property tax rate (as an override to the Constitutionally-limited one percent basic tax rate). G.O. bonds may be utilized particularly if interest rates and issuance costs are favorable compared to other sources of financing. G.O. bonds require voter approval.<sup>11</sup>

## **General Fund and CIP Funding**

### **County General Fund Contributions to Capital Improvement Programs**

The County's Capital Projects budget includes funding from the Capital Fund and other reserves, grants, departmental funding, bond financing and the General Fund.<sup>12</sup> Policies governing the development and selection of capital improvement projects are set forth in the Budget Policies and Goals approved by the Board of Supervisors each year.

## **Development-Based Financing Mechanisms**

### **County Public Facility Fees**

*(authorized under Title 18 of SLO County Code)*

New private development in unincorporated San Luis Obispo County is charged a public facility impact fee that is used to fund government, administration, sheriff, park, library, and fire facilities. Development impact fees can only fund capital improvements. In addition, the funding only accrues incrementally over time as new development occurs, limiting its ability to fund major infrastructure that may be required in advance of development.

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<sup>11</sup> State bonds require majority voter approval, while local bonds require either 55 percent or two-thirds voter approval.

<sup>12</sup> The Capital Fund is dedicated to funding improvements identified in the capital improvement program and typically includes allocations of one-time and/or periodic funds. The General Fund usually relies on ongoing revenue sources to fund ongoing operations, but may allocate some of these general revenues to the Capital Fund.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated. Based on projected development between 2010 and 2035, the community of San Miguel could generate \$1.4 million in Public Facility Fees;<sup>13</sup> Templeton could generate \$4.5 million; Nipomo could generate \$7.8 million; and Oceano could generate \$3.1 million. These calculations are detailed in **APPENDIX B: Public Facility Fees Calculations**.

**Table 13 Public Facility Fees Revenue Estimate**

Community/ Land Use	Public Facility Fees [1]						Total
	Government	Administration	Sheriff	Park [2]	Library	Fire [3]	
<b>OCEANO</b>							
Residential	\$317,239	\$58,842	\$166,491	\$1,370,010	\$269,744	\$831,765	\$3,014,091
Commercial	\$13,946	\$1,192	\$7,323	\$0	\$4,631	\$34,290	\$61,381
<b>Total</b>	<b>\$331,184</b>	<b>\$60,034</b>	<b>\$173,814</b>	<b>\$1,370,010</b>	<b>\$274,375</b>	<b>\$866,055</b>	<b>\$3,075,473</b>
<b>NIPOMO</b>							
Residential	\$746,727	\$150,356	\$392,161	\$3,225,962	\$635,711	\$2,540,291	\$7,691,207
Commercial	\$40,457	\$3,007	\$21,193	\$0	\$13,407	\$75,305	\$153,369
<b>Total</b>	<b>\$787,184</b>	<b>\$153,363</b>	<b>\$413,354</b>	<b>\$3,225,962</b>	<b>\$649,118</b>	<b>\$2,615,595</b>	<b>\$7,844,576</b>
<b>TEMPLETON [4]</b>							
Residential	\$383,225	\$77,360	\$201,264	\$1,655,605	\$326,264	\$1,313,313	\$3,957,031
Commercial	\$137,383	\$9,695	\$72,215	\$0	\$45,660	\$230,238	\$495,192
<b>Total</b>	<b>\$520,609</b>	<b>\$87,055</b>	<b>\$273,479</b>	<b>\$1,655,605</b>	<b>\$371,924</b>	<b>\$1,543,551</b>	<b>\$4,452,223</b>
<b>SAN MIGUEL</b>							
Residential	\$130,589	\$25,668	\$68,568	\$564,101	\$111,133	\$413,456	\$1,313,515
Commercial	\$22,630	\$1,722	\$11,848	\$0	\$7,496	\$44,214	\$87,910
<b>Total</b>	<b>\$153,219</b>	<b>\$27,390</b>	<b>\$80,416</b>	<b>\$564,101</b>	<b>\$118,629</b>	<b>\$457,670</b>	<b>\$1,401,425</b>

[1] County Public Facility Fees may be used anywhere in the County; they are not required to be used in the community from which they are generated.

[2] Park fees are composed of Land and Development. Those lots which paid a Quimby Fee are exempt from the land portion.

[3] The Fire Fee is the only facility fee on residential development that is not a fixed amount per unit; it varies by unit size. The fee is \$902 per 1,000 square feet. Calculations assume a 2,210 sq.ft. single family home and a 1,000 sq.ft. multifamily unit.

[4] Fire Fees are paid directly to Templeton Community Services District.

Sources: San Luis Obispo County, Planning and Building Department Public Facility Fees Schedule, FY 2011/12; Economic & Planning Systems, Inc.

<sup>13</sup> According to County staff, there are 263 potential lots in the Community of San Miguel on Vesting Tentative Maps that have yet to record. Each of these maps has until 2018 to be recorded. It should be noted that these lots would not be subject to any new impact fees (other than Public Facility Fees and Road Improvement Fees because these fees already exist) or infrastructure financing plan not in place at this time.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

## **Road Improvement Fees**

(authorized by Title 13 of SLO County Code)

Several communities in San Luis Obispo County, including San Miguel (east of Mission Street), Nipomo and Templeton, charge road improvement fees to new residential and commercial development to fund improvements that mitigate the future effects of new development. The fee is assessed per PM Peak Hour Trip, and it varies by community (and sometimes within a community) and by land use type (e.g., residential, retail and other). The funds collected are used to finance a variety of capital road improvement projects as identified in each community’s Circulation Study. Though the funds may not be used for road maintenance, major rehabilitation may be an appropriate use of road improvement fees.<sup>14</sup>

Based on potential development between 2010 and 2035, the community of San Miguel could generate \$8.6 million in Road Improvement Fees;<sup>15</sup> Templeton could generate \$116.5 million; and Nipomo could generate \$72.4 million. Oceano does not currently collect road improvement fees. These calculations are detailed in **APPENDIX C: Road Improvement Fees Calculations**.

**Table 14 Road Improvement Fees Revenue Estimate**

<b>Community/ Land Use Category</b>	<b>Amount</b>
<b>OCEANO [1]</b>	-
<b>NIPOMO</b>	
Residential	<b>\$14,810,397</b>
Commercial	<b>\$3,388,952</b>
<b>Total</b>	<b>\$18,199,349</b>
<b>TEMPLETON</b>	
Residential	<b>\$8,871,546</b>
Commercial	<b>\$12,257,655</b>
<b>Total</b>	<b>\$21,129,201</b>
<b>SAN MIGUEL</b>	
Residential	<b>\$1,400,246</b>
Commercial	<b>\$1,517,761</b>
<b>Total</b>	<b>\$2,918,007</b>

[1] Oceano does not currently collect Road Improvement Fees.

Sources: San Luis Obispo County Current Road Fee Schedule, Effective January 21, 2013; Economic & Planning Systems, Inc.

<sup>14</sup> See Footnote #3 re: use of impact fees for a share of road rehabilitation costs.

<sup>15</sup> According to County staff, there are 263 potential lots in the Community of San Miguel on Vesting Tentative Maps that have yet to record. Each of these maps has until 2018 to be recorded. It should be noted that these lots would not be subject to any new impact fees (other than Public Facility Fees and Road Improvement Fees because these fees already exist) or infrastructure financing plan not in place at this time.

# Attachment 1a: Amendments to the Oceano, San Miguel, and Shandon Community Plans, Part III of the Land Use and Circulation Elements

## **Local Area Development Fees**

*(authorized by Section 66000 et. seq. of the Government Code)*

The County is authorized to create local development impact fees to fund infrastructure improvements, and additional development impact fees (in addition to the existing Public Facility Fees) could be created. For example, a stormwater infrastructure development impact fee could help fund drainage improvements. Local impact fees also can be a mechanism to assure proportional cost sharing and may be a key part of the financing strategy.

## **Parkland (Quimby) Fees**

*(authorized by Title 21 of SLO County Code)*

In addition to Public Facility Fees, park and recreation improvements are funded through the Quimby Act requirements (for parkland acquisition) through the subdivision process. Quimby Fees are charged according to Area. San Miguel and Templeton are in Area 1 and Oceano and Nipomo are in Area 4. Those lots that pay a Quimby Fee are exempt from the land portion of the Parks Development Impact Fee.

## **Utility Fees and Connection Charges**

Utility connection charges from new development can fund utility infrastructure improvements. Revenue bonds may be issued secured by a utility rate charge base (water and sewer) and may be used for expansion to serve future development, or for reimbursement to the Developer for initial funding of utility facilities.

## **Benefit Assessment Districts**

*(authorized by Section 54710 et. seq. of the Government Code)*

Under a Benefit Assessment District, property assessments are raised within a specific geographic area, with the proceeds going to provide public improvements or services that benefit the property owners within that area. Only improvements with property-specific benefits (e.g., roads and sidewalk, and sewer and water improvements) can be financed with assessments. There must be a logical relationship between the assessment method and amount and the benefit received by associated property owners or tenants. A special assessment district also requires the voter approval of the owners of a majority of the property within the district.

Different types of assessment districts are supported by specific legislation. Funds generated through a Landscaping and Lighting District (LLD) would be restricted to construction and maintenance of parks, landscaping, and street lighting and can be assessed on both commercial and residential properties.

## **Developer Capital**

Developers are often asked to contribute through project-specific improvements, whether as part of individual project approval or as part of a broader set of area-wide design guidelines/other regulatory requirements. Typical examples might include improvements to the sidewalks in front of the new development and the planting of street trees consistent with the County's or community's direction. Developer contributions can be formalized through Development Agreements (DA) and Certificates of Participation (COP). When applicable, Development Agreements can ensure timely funding of infrastructure development. The agreements should

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enable and specify the terms for the establishment of needed infrastructure financing mechanisms.

Developer contributions would also result from the adoption of any area development impact and/or in-lieu fees, which has feasibility implications for development, especially in the context of all fees/exactions/requirements. Developer construction and fee contributions need to be carefully considered to avoid discouraging new development, which, in turn, reduces fee revenues for improvements that exceed their allocation.

It may be possible to reimburse the Developer from other sources at a future time, assuming the sources are not required for other public purposes, and that the reimbursement is for a qualifying expenditure for public purposes. The private capital is at greatest risk, since public debt will be secured by value of the development and will be in the first position for repayment. Private capital depends on the success of the project and repayment from future land and development sales after the successful completion of infrastructure and public facilities.

## **Grants**

Grants provide external funding from regional, state, and federal sources. Many grants require local matches. Apart from local match requirements, there are significant staff costs associated with grant funding, including staff time during the application process and during the project. Grant funding is often limited to capital improvements with maintenance responsibilities falling to the local jurisdiction.

### ***Regional, State, Federal Transportation Funding***

Transportation authorities may fund portions of certain regional-serving transportation facilities and improvements. For example, San Miguel, Templeton and Nipomo are each served by State Route 101 and each of these communities requires improvements associated with the Route as described in the 2010 Regional Transportation Plan. Similarly, Oceano is served by State Route 1. Because of the regional-serving nature of State Route 101 and State Route 1, statewide transportation funding may be available to fund these improvements.

### ***CMAQ Improvement Program***

One potential grant source is the Congestion Mitigation and Air Quality (CMAQ) Improvement Program. The Congestion Mitigation and Air Quality (CMAQ) Improvement Program was created in 1991 under the Intermodal Surface Transportation Efficiency Act (ISTEA) to fund transportation related projects that are designed to reduce traffic congestion and improve air quality in areas that do not meet air quality standards. CMAQ has seven major project categories:

1. Transit
2. Shared Ride
3. Traffic Flow Improvements
4. Demand Management
5. Pedestrian/Bicycle
6. Inspection/Maintenance (I/M) and other Transportation Control Measures (TCMs)
7. Surface Transportation Program (STP)/CMAQ

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Pedestrian and bicycle projects are their own major product category and make up approximately 13 percent of CMAQ projects. Walking and bicycling can also be included in other project categories such as transit by providing bike racks at public transportation stops.

CMAQ Improvement Program funds are available to a wide range of government and non-profit organizations, as well as private entities contributing to public/private partnerships. They are controlled by metropolitan planning organizations (MPOs) and state departments of transportation. Funding is available for areas that do not meet the National Ambient Air Quality Standards (nonattainment areas) as well as former nonattainment areas that are now in compliance (maintenance areas). CMAQ-funded projects may include bicycle and pedestrian facility improvements, bicycle racks and lockers, and individualized marketing initiatives that promote bicycling and walking.

Organizations that want access to CMAQ funds must first ask their Metropolitan Planning Organization (MPO) to place the project on the Transportation Improvement Program (TIP).

### ***Safe Routes to School Program***

The Safe Routes to School program is a grant program administered by Caltrans and could be used to fund sidewalk improvements. The Program is designed to encourage more children to walk or ride bikes to school by reducing the barriers to doing so, such as a lack of infrastructure or unsafe infrastructure. Through the passage of AB 57, the Program was extended indefinitely with funding provided from the State Highway Account.

### **Other Funding Sources**

#### ***Sales Tax Increase***

With two-thirds voter approval, the County could adopt countywide special tax increases, such as a sales tax increase, to fund infrastructure and facility improvements. Depending on the level of tax increase, significant revenues can be generated, though there is often industry and community resistance to such increases. The current sales tax rate (in the four communities) is 7.5 percent.

#### ***California Infrastructure and Economic Development Bank (I-Bank)<sup>16</sup>***

*(authorized by Section 63000 et. seq. of the Government Code)*

The California I-Bank is State-run financing authority that operates the Infrastructure State Revolving Fund (ISRF) Program. This ISRF Program is a statewide program that provides low-cost loans up to \$10 million per project to local municipal governments for a wide variety of public infrastructure that provide local economic development benefits, such as:

- City streets
- County highways
- Drainage, water supply and flood control
- Educational facilities
- Environmental mitigation measures
- Parks and recreational facilities

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<sup>16</sup> More information can be found at <http://www.ibank.ca.gov>.

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- Port facilities
- Power and communications
- Public transit
- Sewage collection and treatment
- Solid waste collection and disposal
- Water treatment and distribution
- Defense conversion
- Public safety facilities
- State highways
- Military infrastructure

An application is required for these loans, and loans require a stable and reliable source of repayment. If approved, loan repayment could be funded through a special tax if approved by voters.

**Exhibit LRP2013-00014:D**  
**Amendments to Chapter 6 (Public Facilities and Services) and Chapter 7 (Infrastructure and Utilities),  
of the Shandon Community Plan, Part III of the Land  
Use and Circulation Elements**

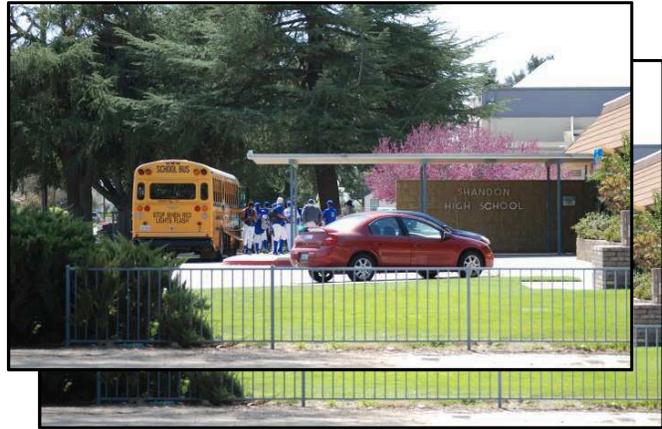
**A. Revise Chapter 6, Public Facilities and Services, as follows.**

**B. Revise Chapter 7, Infrastructure and Utilities, as follows.**

## Chapter 6: Public Facilities and Services

This Chapter discusses the public facilities and services needed to serve the community. Public services addressed in this chapter include schools, parks and recreation, solid waste disposal and recycling, emergency medical services, library services, fire protection, and law enforcement. One of the basic principles of the Shandon Community Plan is to ensure that adequate public infrastructure and services will be provided in a timely manner to serve both new and existing development.

[Disadvantaged Communities. Government Code Section 65302.10 requires local governments to update the General Plan to include information regarding infrastructure needs and financing within “disadvantaged unincorporated communities.” Shandon qualifies as one of these communities. According to the Governor’s Office of Planning and Research, the purpose of these requirements is to identify disadvantaged communities underserved by public water, sewer and other services and “...to begin to address the complex legal, financial, and political barriers that contribute to regional inequity and infrastructure deficits within disadvantaged unincorporated communities” \(Technical Advisory for Senate Bill 244, Land Use, General Plans, and Disadvantaged Communities, February 15, 2013\).](#)



[Consistent with Government Code Section 65302.10, this chapter includes a description of structural fire protection, and Chapter 7 includes a description of water, wastewater and stormwater drainage. In addition, the Public Facilities Financing Plan in Chapter 8 provides an analysis of infrastructure and public facilities needs and deficiencies in the community, as well as an analysis of financing alternatives that could make the extension of services financially feasible.](#)

### 6.1 Public Schools

Shandon is served by the Shandon Joint Unified School District (SJUSD). In 2012, two school facilities within the community were operated by the school district. Both Shandon Elementary School and Shandon High School are located on the west side of 1<sup>st</sup> Street south of Centre Street. In 2012, the combined enrollment for both schools was approximately 360 students. The elementary school campus has a capacity of 145 students and the high school campus has a capacity of 187 students. Depending on the needs of the district, middle school students in grades 7 and 8 may from time-to-time attend either campus.

Table 6.1 illustrates the projected student generation at Community Plan buildout. According to the SJUSD, the existing campus sites are capable of handling this projected growth with expansion of school facilities. Pursuant to Section 65995 of the California Government Code,

## Chapter 7: Infrastructure and Utilities

The major infrastructure and utilities needed to serve the community are water supply, wastewater, stormwater drainage, and utilities including, natural gas, electricity, and telecommunications. This chapter is meant to provide a broad overview of the distribution, location, extent, and capacity of major infrastructure systems and the facilities that comprise the “backbone” for these systems. Therefore, details for the phasing and construction for each of the major facilities are not included in this Plan. Several unknown factors affect how the phasing is accomplished, including housing demand, changes in the economy, and when and where development will occur first.

The major infrastructure is designed to accommodate an approximate population of 5,260. Each developer will be expected to install a fair share of the needed backbone infrastructure, with additional collector systems and individual connections needed as the community further develops.

*Note: Figures 7.1 through 7.4 appear at the end of the chapter. [On-line version: please see separate file named: “Chapter 7 Figures pgs 99-106”*

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[Consistent with Government Code Section 65302.10, this chapter includes a description of water, wastewater and stormwater drainage, and Chapter 6 includes a description of structural fire protection. In addition, the Public Facilities Financing Plan in Chapter 8 provides an analysis of infrastructure and public facilities needs and deficiencies in the community, as well as an analysis of financing alternatives that could make the extension of services financially feasible.](#)

### 7.1 Water System

The urban water supply for Shandon is provided by County Service Area (CSA) No. 16. The community water system, completed in 1976, included storage facilities, pump stations, transmission lines, chlorination and fire hydrants. Comprehensive water resource information is provided in the San Luis Obispo County Master Water and Sewerage Plan (1972), in the Master Water and Sewerage Plan for County Service Area No. 16 (1971), and in the County Service Area No. 16 Water System Master Plan (2004).

In 2012, the community’s water supply was obtained from groundwater wells located in and around the community. The water system consisted of a storage tank