COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT

PLANNING COMMISSION

Promoting the wise use of land
Helping build great communities

MEETING DATE	CONTACT/PHONE	APPLICANT	FILE NO.
August 13, 2015	Brian Pedrotti, AICP, Planner 805-788-2788	Janneck, Limited	SUB2003-00001 / DRC2003-00001

SUBJECT

Request by **JANNECK, LIMITED (LAETITIA AGRICULTURAL CLUSTER)** for a Tentative Tract Map and Conditional Use Permit to allow an agricultural cluster subdivision of twenty-one parcels (totaling 1,910 acres) into one hundred and two (102) residential lots and four (4) open space lots. The proposed project includes 101 1-acre residential lots plus one existing single-family residence, a ranch headquarters (includes a homeowner's association facility, recreation center, and community center), 25 acres of internal access roads, and a wastewater treatment plant. The ranch headquarters and wastewater treatment plant are proposed on the open space parcels. A proposed 7.7-acre dude ranch is not included in the Conditional Use Permit, but is included in the FEIR as a future development proposal. The proposed project is within the Agricultural and Rural Lands land use categories and is located approximately two miles south of the City of Arroyo Grande and two miles north of the community of Nipomo, on both the eastern and western sides of Highway 101.

RECOMMENDED ACTION

Staff recommends the Planning Commission take the following action:

1. Deny the application of Janneck, Limited for Vesting Tentative Tract 2660 and Conditional Use Permit DRC2003-00001; and
2. Adopt the Findings included in Exhibit A.

ENVIRONMENTAL DETERMINATION

The Environmental Coordinator, after completion of the initial study, finds that there is evidence that the project may have a significant effect on the environment, and therefore a Final Environmental Impact Report (FEIR) was prepared (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) for this project. The FEIR addresses potential impacts on: Aesthetics Resources, Agricultural Resources, Air Quality, Archaeological Resources, Biological Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Public Services and Utilities, Recreation, Transportation and Circulation, Wastewater, and Water Resources. The FEIR also considers alternatives in addition to the "No Project" alternative. Notice of the Final EIR was provided to the public and copies of the Final EIR were made available for public review. The Final EIR was also distributed to the Planning Commission under separate cover. While an FEIR has been prepared, per the Public Resources Code 21080(b)(5) and CEQA Guidelines, CEQA does not apply to projects which a public agency rejects or disapproves. However, the FEIR has provided evidence and information to support this denial, including an evaluation of the significant and unavoidable environmental impacts of the proposed project.

ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT:
COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242

LAND USE CATEGORY	COMBINING DESIGNATION	ASSESSOR PARCEL NUMBER	SUPERVISOR DISTRICT(S)
Agriculture and Rural Lands	Sensitive Resource Area, Flood Hazard	047-051-005; 048-121-006; 047-311-001, -007, -010, -011; 047-301-002, -003; 075-341-007	4

PLANNING AREA STANDARDS:

South County Areawide Standards (22.112.020), South County Rural Area Standards (22.112.040)

LAND USE ORDINANCE STANDARDS: Agriculture Subdivision Standards (22.22.040), Rural Lands Subdivision Standards (22.22.050), Agriculture Cluster Subdivision Standards (22.22.150), Cluster Division Standards (22.22.140)	
EXISTING USES: Agricultural production of wine grapes and lemon orchards, a wine production facility, tasting room, single-family residence, farm support quarters, a cellular facility, agricultural roads, water supply storage and infrastructure, several barns and agricultural accessory uses, and public utility lines.	
SURROUNDING LAND USE CATEGORIES AND USES: *North:* Agriculture and Rural Lands / livestock grazing *East:* Rural Lands / livestock grazing, scattered rural residences *South:* Residential Rural and Rural Lands / large-lot single-family residences, livestock grazing, Highway 101 *West:* Agriculture and Recreation / irrigated row crop across Highway 101	
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Environmental Health, Ag Commissioner, County Parks, South County Advisory Council, Regional Water Quality Control Board, CalFire, Air Pollution Control District, Department of Fish and Game, Cal Trans, Water Resources Advisory Council, Native American Heritage Commission, US Fish and Wildlife	
TOPOGRAPHY: Relatively flat to steeply sloping	VEGETATION: Oak Woodland; riparian; grasses; chaparral; agricultural crops
PROPOSED SERVICES: Water supply: Community wells Sewage Disposal: Community wastewater Fire Protection: CalFire	ACCEPTANCE DATE: February 5, 2004

PROJECT SUMMARY

The project that was originally proposed was a three phase Agricultural Cluster Subdivision that divided a 1,910 acre area consisting of twenty-one parcels into 102 residential parcels (1.0 acre in size) and four open space parcels (approximately 1,787 acres). This original project proposal will be referred to herein as "Original Project." As described in detail below, staff's recommendation is that the Original Project is inconsistent with the Land Use Ordinance, Agriculture Element, and other applicable policies.

Applicant Proposed Alternative 2

Based on information in the Draft Environmental Impact Report (DEIR), the applicant designed a "Mitigated Project Alternative" which contained essentially the same development characteristics listed above in the originally proposed project (i.e. number of residential lots, number of open space lots, lot sizes), but incorporated a reorganized lot layout, relocated project roadways, deletion of the equestrian center, and height restrictions to address identified

environmental constraints. This Alternative includes two additional facility lots: Lot 107, a 0.6-acre lot for the wastewater treatment plant/water recycling facility, and Lot 108, a 2.0-acre lot for the Homeowners Association/Ranch Headquarters. The Mitigated Project Alternative was analyzed in the Revised DEIR and is shown in the Final Environmental Impact Report (FEIR) as the **Applicant Proposed Alternative 2** and will be referred to as such hereinafter. The applicant is requesting approval of the Applicant Proposed Alternative 2. Through several meetings and discussions the applicant and the applicant's agent have made it clear to staff that the Applicant Proposed Alternative 2 is the only feasible project. Staff's recommendation is that the Applicant Proposed Alternative 2 is not consistent with the Land Use Ordinance, Agriculture Element, and other applicable policies as described in detail in the "Evaluation of Alternatives" section in this staff report.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission take the following actions:

1. Deny the application of Janneck, Limited for Vesting Tentative Tract 2660 (SUB2003-00001) and Conditional Use Permit DRC2003-00001; and
2. Adopt the Findings included in Exhibit A.

The detailed basis for this recommendation can be found in the discussions below titled "Ordinance Compliance", "Area Plan Compliance", and "Policy Analysis".

BACKGROUND

Project Components: Agricultural Residential Cluster Tentative Tract 2660

The Original Project is an agricultural residential cluster that would consist of 102 residential parcels (1.0 acre in size) and four open space parcels (approximately 1,787 acres). Development of the agricultural residential cluster would occur in three phases, as described below.

Phase One includes 43 residential lots, Main Roads 1 and 2, internal access roads, the construction of a wastewater treatment plant, treated effluent storage ponds, sewage collection system, effluent disposal/irrigation system, domestic well system, construction of a water storage tank, construction of the ranch headquarters and equestrian center, installation of private water service lines, entry gates and features, public utility extensions, and landscaping. Phase One includes approximately 105 acres of developed area.

Phase Two includes 40 residential lots, internal access roads, gates, and landscaping. Phase Two includes approximately 43 acres of developed area.

Phase Three includes 19 residential lots, internal access roads, and landscaping. Phase Three includes approximately 23 acres of developed area.

Vineyard removal and replacement would occur within each phase.

In addition to these three phases, the applicant proposes a 7.7-acre dude ranch within one of the open space lots. The applicant is not currently requesting a permit to construct the dude ranch; however, the dude ranch is included in the EIR as a future development proposal.

The project considered in the FEIR consists of a Vesting Tentative Tract Map and Agricultural Residential Cluster Conditional Use Permit for the proposed agricultural residential cluster. No entitlements are currently proposed for the future dude ranch and a separate future CUP will be required to consider this use.

With the exception of the deletion of the equestrian center and addition of the guard shack, the Applicant Proposed Alternative 2 consists of the same general project components as the Original Project although rearranged to attempt to reduce environmental impacts and comply with land use requirements.

History

The Original Project was submitted in 2003. The applicant requested a Vesting Tentative Tract Map; therefore, the project was reviewed for consistency with the Agricultural Clustering Ordinance in effect at that time (2003). The 2003 ordinance states,

> *"It is the policy of the Board to encourage the preservation of agricultural lands in the county for the continuing and enhanced production of food and fiber through the use of a variety of policy and regulatory techniques. One technique, provided in the Section, is the clustering of allowable dwelling units on relatively small parcels in agricultural areas instead of the dispersal of the units on larger parcels."*

As stated above, the intent of the ordinance is first and foremost to encourage the preservation of agricultural lands and to continue and enhance the production of food and fiber using the particular technique of an agriculture cluster, which clusters the parcels as opposed to their dispersal.

Agricultural cluster projects that are reviewed under the 2003 ordinance must meet all of the required findings (see below under "Ordinance Compliance"), which highlight the importance of:

- Continuing the agricultural use;
- Locating development off prime soils and productive agriculture;
- Buffering on-site and off-site agricultural operations from development;
- Avoiding environmental impact;
- Clustering residential parcels to the maximum extent feasible;
- Avoiding significant adverse social impacts affecting on-site or off-site agricultural operations; and
- Ensuring both the agriculture and residential development have water.

Staff initially communicated to the applicant that there were significant issues with the design of the project due to its inconsistency with these required findings for agricultural clusters. The applicant declined to revise the project and instead chose to move forward with an EIR. Following initial review and the initiation of environmental work, the applicant was required to do additional archaeological investigations in 2006. After the results of the review and investigations, the applicant also changed the project description in 2007 to replace individual septic systems with a community wastewater system.

Draft EIR – 2008

In September 2008, the County released a Draft EIR for the Laetitia Agricultural Cluster Subdivision Tentative Tract Map and Conditional Use Permit. The Draft EIR (2008) noted nineteen (19) significant, adverse, and unavoidable impacts related to biological resources, archaeological resources, agricultural resources, transportation and circulation, air quality, noise, aesthetics, hazards and hazardous materials, and public services and utilities.

Following public circulation of the Draft EIR in 2008, the applicant proposed modifications to the Original Project, including: 1) elimination of the equestrian center to avoid impacts related to aesthetics and air quality (dust, odors), and 2) the elimination and replacement of two wells for domestic water supply to avoid impacts to aquatic species within Los Berros Creek. The Draft EIR included the proposed use of Wells 10, 11, 12, and 13 for domestic water supply. As noted in the Draft EIR, use of Wells 12 and 13 would affect stream flow within Los Berros Creek. In response to the Draft EIR, the applicant proposed to use Wells 10, 11, 14, and 15 for domestic water supply. These modifications were carried through in the Recirculated Draft EIR Water Resources and Biological Resources sections. Furthermore, the applicant incorporated all water conservation measures into the proposed project, including reductions in the amount of turf areas, and other limitations on residential lot landscaped areas. These reductions resulted in a reduced water duty factor per lot to 0.44 acre-feet per year. The applicant also revised the project based on additional consultation with County Fire/California Department of Forestry and Fire Protection (CAL FIRE) regarding vegetative fuel modification within oak woodlands.

Due to the number of proposed revisions, the applicant submitted their Applicant Proposed Alternative 2, which incorporates many of the mitigation measures identified in the 2008 DEIR, including a reorganized lot layout, relocated project roadways, deletion of the equestrian center, and height restrictions to address identified environmental constraints.

Public comments were also received on the 2008 DEIR identifying potential inadequacies in the technical reports that supported the EIR analysis and determination of effect. Upon review of these comments, the County determined that further analysis of water resources was necessary to adequately assess the baseline conditions and environmental effects of the project, including sustainable yield. See the “Major Issues” section below for more information.

Draft EIR Recirculations – 2012 and 2013

The Introduction, Biological Resources, Water Resources, and Alternatives Sections of the Draft EIR were recirculated in April 2012. Following that recirculation, the applicant requested recirculation of the EIR sections again because they had concerns with the consistency between the 2012 recirculated Draft EIR and the original Draft EIR. In addition, the Notice of Availability was not posted at the San Luis Obispo County Clerk's office, as required by CEQA Guidelines Section 15087, Public Review of Draft EIR. Staff suggested an immediate re-posting of the DEIR, but the applicant insisted on changes to the document before recirculation. Therefore, the County recirculated the Introduction, Biological Resources, Water Resources, and Alternatives Analysis sections of the Draft EIR from July 10, 2013 to August 26, 2013. The County received additional significant comments from the recirculation, which have been incorporated into the FEIR.

MAJOR ISSUES

Water Demand and Supply

The availability of water for the project and impacts to the groundwater supply in the area has been a source of controversy. The County has received over 100 letters from concerned residential and agricultural property owners surrounding the proposed project on these issues. The letters include concerns about the source of groundwater for the project (fractured rock wells), anecdotal evidence of wells drying up over time, and the cessation of flow in Los Berros Creek over the last decades. In addition, the County received a recent letter from the Water Resources Advisory Council citing uncertainties with the long-term sustainability of the water supply (see attached).

Following the publication of the Draft EIR in 2008 and receipt of the letters of concern, an independent peer review of technical reports provided by the applicant was conducted in April 2009 by Fugro Consultants, Inc. Following this peer review, the consultant indicated that additional testing was necessary to draw conclusions about the water supply available to the project. The County then hired a third-party consultant (GeoSyntec) to review cyclic well testing and monitoring conducted from October 16, 2009, through December 31, 2010, including sustainable yield testing between September and December 2010. Geosyntec conducted an independent analysis of the well and sustainable yield testing, and a sustainable yield assessment was provided to supplement the analysis. Based on their analysis, GeoSyntec identified that the project's water demand was sustainable based on an estimated safe yield for the groundwater source. The project water demand is highly dependent on conformance with a number of strict water conservation measures that must be enforced by the HOA and verified by a Registered Engineers stamped annual report to the Planning and Building Department in perpetuity, including a Master Water Plan consisting of a Drought Water Management Plan, separate metering for domestic and landscape watering and limitations on water amounts, annual reporting, limitations on future development phases based on performance standards, turf limitations, and low-flow fixtures. For more information, see the Water Resources section of

this report under "Environmental Determination" as well as Section V.P – Water Resources in the Final EIR.

Residential Density

As described earlier in this report, the Original Project and the Applicant Proposed Alternative 2 both propose 102 residential lots. However, the proposed 102 residential lots are inconsistent with the County Land Use Ordinance. This is primarily because the proposed project is located on both Agriculture and Rural Lands, and therefore a separate residential density calculation is required for each land use category. The Land Use Ordinance identifies the number of clustered parcels for Agriculture based on the allowed number of dwellings (2) per qualifying 20-acre parcel. Based on 487 acres of irrigated vineyard and 340 acres of grazing land, the Agriculture portion of the site would qualify for a maximum of 50 residential lots. However, the residential lots and residential components are limited to 5 percent of the site or 41 acres while the remaining 95 percent is protected for ongoing agriculture, which limits the number of parcels to approximately 40. The applicant is proposing 40 residential parcels within the Agriculture land use category. See discussion for general plan consistency under AGP22 in the "Policy Analysis" section below.

The number of clustered parcels for Rural Lands is based on the cluster division provisions of Section 22.22.140.B, which allow one dwelling per parcel. Based on the total acreage in RL, the allowed residential density is 34 units. The combined total of residential parcels allowed by County ordinance on both Agriculture and Rural Lands would be approximately 74 parcels (see Table 3 below), well below the 102 parcels proposed by the applicant.

This density calculation is consistent with Talley (Las Ventanas), the only other agricultural cluster subdivision that was approved under the 2003 Agricultural Cluster Ordinance and consisted of both Agriculture and Rural Lands land use categories. The original calculation from the Talley agricultural cluster subdivision is attached below. Also, refer to Table 3 under Ordinance Compliance for the residential density calculation.

Secondary/Emergency Access

As described above under "Environmental Determination" for impacts of the project to Transportation and Circulation, the project's main entrance is a very long, dead-end roadway that does not comply with the California Department of Forestry and Fire Protection (CAL FIRE) access requirements. Therefore, the applicant is required to provide secondary emergency access. The applicant originally proposed the secondary access through the winery/tasting room drive directly to the at-grade intersection of this driveway with Highway 101. Although this access is consistent with CAL FIRE's requirements, it is not consistent with the California Department of Transportation's (Caltrans) encroachment permit, which does not allow additional residential trips at this intersection. In response, the applicant proposed to incorporate a full-time (24/7/365) occupied guard station on Main Road 1 to prohibit residential trips using the existing Highway 101/Laetitia Vineyard Drive access location to enter or exit the residential development.

Based on consultation with Caltrans, including a joint meeting with CAL FIRE on February 22, 2011, Caltrans stated that this approach would not guarantee zero additional residential trips generated at this intersection and was therefore not supported by Caltrans. Caltrans has stated support for an alternate secondary access option that includes a frontage road on the north side of Highway 101 back to Cimarron Way and connecting to the Los Berros/Thompson Road interchange. This secondary access option is listed as the Alternative Access Option in the FEIR. This alternative would avoid the significant and unavoidable impacts related to dead-end road length of Los Berros Road and transportation impact at the Laetitia Vineyard Drive and Highway 101 intersection, but would have additional potential impacts to many other resource areas, including agricultural resources, archaeological resources, biological resources.

Transportation and Circulation

Both the Original Project and the Applicant Proposed Alternative 2 will significantly impact the surrounding roadway and circulation system. Primary access to the site is via the intersection of Highway 101 and Los Berros/Thompson Road to North Dana Foothill Road to Sheehy Road to Upper Los Berros Road. The proposed project will impact left turn movements from North Thompson Road to Sheehy Road, and exacerbate existing deficient conditions at various intersections, including Sheehy Road/North Dana Foothill and Highway 101/Los Berros Road ramp junctions. The impacts of additional vehicles will necessitate widening of Sheehy Road, North Dana Foothill Road, and Upper Los Berros Road. Mitigation is proposed in the FEIR for these transportation impacts in the form of ramp extensions, street widening and other improvements. Although the proposed mitigation to lengthen the on-ramps and off-ramps would reduce the impacts to the extent possible, due to uncertainty regarding Caltrans approval of improvements within their jurisdiction, it cannot be assured that all improvements would be feasibly constructed prior to occupation of the proposed residences. As a result, these impacts would remain significant and unavoidable.

Clustering vs. Fragmentation of Agricultural Operations

The Land Use Ordinance requires that the open space area of an agricultural cluster subdivision be at least 95 percent of the gross site area, with residential clustered development allowed on the remaining 5 percent. This requirement has not been met for the Original Project or the Applicant Proposed Alternative 2, as the total developed area (residential parcels, access roads, wastewater treatment plan, and wastewater storage area) represent approximately 50 acres, which exceeds the required 41 acres. Applicant proposed agricultural buffers represent a total of approximately 24 acres in the Agriculture land use category and 33 acres in the Rural Lands land use category as shown on the applicant's plans (which includes a total vineyard loss of approximately 113 acres). If the project incorporated the agricultural buffers recommended by the Agriculture Department (500 feet) and no modification to the lot design occurs, additional vineyards would require removal.

Agricultural Cluster Ordinance Findings 22.22.150(g)(1), (2)a and g, and (3)g together clearly direct projects to cluster residential lots to the maximum extent to avoid interfering with agricultural production, to maintain the rural character of the area, to ensure the continuation and long-term preservation of agricultural productions, and to avoid trespass, vandalism, and

complaints about agricultural practices. The applicant has indicated that existing vineyard, slopes, oak trees, archaeological resources, power lines, and other constraints have dictated the spread-out nature of the proposed development. However, the above finding dictates that site and agricultural operation should push the design into a tighter cluster pattern rather than attempting to maximize the number of lots by spreading them across the site. If the tighter cluster pattern cannot be achieved, the logical conclusion would be that the site cannot support the proposed density.

Existing Setting and Land Uses

The project site is located within San Luis Obispo County, approximately two miles south of the City of Arroyo Grande, adjacent to Highway 101. The project site includes approximately 76 acres on the west side of the highway, and 1,834 acres east of the highway. The project site currently supports agricultural production of wine grapes and lemon orchards, a wine production facility, tasting room, single-family residence, farm support quarters, a cellular facility, agricultural roads, water supply storage and infrastructure, and public utility lines. In addition, several barns and agricultural accessory uses are located throughout the site. Undeveloped areas consist of seasonal drainages that flow south and southeast towards Los Berros Creek, grassland, rock outcrops, scattered oak trees, and oak woodland.

The project site supports 633.5 acres of existing cultivated agricultural crops including approximately 627.1 acres of irrigated grape vineyard, 4.9 acres of irrigated lemon orchard, and 1.5 acres of non-irrigated lavender. An additional 694 acres is undeveloped, and is used for livestock grazing. Additional existing agricultural facilities on the project site include two irrigation ponds, composting areas, seven wells (for agricultural use), barns, agricultural roads, signage, and pipelines. None of the existing and legal underlying 21 parcels within the project site are within an Agricultural Preserve or under a Williamson Act Contract. These existing parcels range in size from approximately 32 acres to 160 acres.

The existing winery and tasting room are approximately 19,278 and 5,572 square feet in size. A 47-space parking lot and landscaped area are located adjacent to these structures. The facility and accessory buildings are located within a 1.8-acre area. The tasting room includes a wine tasting area, retail sales, storage, press area, and public restrooms. The tasting room is open from 10:30 a.m. to 5:00 p.m., each day of the week. Domestic wastewater is treated by a septic system and leachfield. Black water generated by the winery is treated via an existing wastewater treatment pond. Pomace generated during wine processing is composted and tilled into the existing grape vineyards.

There is one approximately 3,000-square foot estate residence onsite. This residence is proposed to remain, and would be located within proposed Lot 65. Two farm support housing units (approximately 3,500 square feet total) are located onsite within proposed Open Space Lot 45. These units would remain. One existing modular home and associated accessory buildings located near the eastern portion of the project site would be removed.

TABLE 2:
PROJECT COMPONENTS (ORIGINAL PROJECT)

Project Component	Proposed Lot(s)	Size (acres)
Phase One		
Residential Sub-cluster A (23 lots)	1 through 23	23
Residential Sub-cluster B (20 lots)	24 through 43	20
Main Roads 1 and 2	N/a	17
Access Roads A, G, H, I, J, K, L, and M[1]	N/a	8
Utilities, landscaping, access gates	N/a	0.5
Water tank, water service main and lines	N/a	4
Wastewater treatment plant	45	0.4
Sewage collection system	N/a	5
Treated effluent storage ponds	45	4.3
Treated effluent disposal area	45	20.8
Open space easement	44	477.89
Ranch Headquarters	44	1.4
Farm labor quarters (2)	44	0.5
Vineyards removed	44	74.7
Vineyards replaced[2]	44, 45, 86	60.3
Phase Two		
Residential Sub-cluster C (20 lots)	Lots 46 through 65	20
Residential Sub-cluster D (20 lots)	Lots 66 though 85	20
Access Roads B, C, D, P, and N[1]	N/a	3
Gate	N/a	0.4
Open space easement	45	723
Vineyards removed	45	27.8
Vineyards replaced[2]	44, 45, 86	44.7
Phase Three		
Residential Sub-cluster E (19 lots)	Lots 87 through 105	19
Access Roads E and F[1]	N/a	4
Open space easement	86	205.63
Open space easement	106	380.83
Vineyards removed	86	10.2
Vineyards replaced[2]	44, 45, 86	35.9
Future Development Proposal		

Dude Ranch	106	7.7
Access Roads	106	1.5
[1] Refer to Final EIR Figures III-4 and III-11 for access road locations.		
[2] Location of vineyard replacement may occur within any other phase area upon the discretion of the vineyard manager		

As described earlier, with the exception of the deletion of the equestrian center and addition of the guard shack, essential components of the Original Project remain with the Applicant Proposed Alternative 2.

ORDINANCE COMPLIANCE:

Agricultural Cluster Ordinance (2003)

The Agricultural Lands Clustering Ordinance of 2003 sets out the policy of the Board to encourage the preservation of agricultural lands for continuing and enhanced production of food and fiber. This Ordinance was updated on September 14, 2004 and February 28, 2006. However, because the proposed project is a Vesting Tentative Tract Map, it is subject to the rules in place at the time of acceptance (February 5, 2004). The following is an analysis of the Original Project and the Applicant Proposed Alternative 2's compliance with the 2003 Agricultural Clustering Ordinance:

a. **Affected areas:** The closest Urban Reserve Line (URL) to qualify the site as subject to the provisions of the Agricultural Cluster Subdivision is the City of Arroyo Grande.

b. **Lands eligible for clustering:** Only those lands located within a two mile distance from an identified URL are eligible for clustering. The site is located within two miles of the City of Arroyo Grande and meets the minimum site area of 320 acres.

c. **Eligibility of lands under Agricultural Preserve contract**: Lands in the Williamson Act contract shall not be used as a location of clustered parcels. The areas proposed for subdivision are not under contract.

d. **Permit requirements:** Conditional Use Permit approval is required at the time the tentative tract map is approved. An application for a Conditional Use Permit was submitted.

e. **Application content:** The applicant has included information explaining how the applicant feels the findings can be met. Please see applicant comments in the FEIR.

f. **Environmental review:** An EIR has been prepared and has been provided to the Planning Commission.

g. **Required findings:** In order to approve an agriculture cluster subdivision, the Review Authority must make the findings contained in Section 22.22.150g. Staff has reproduced each finding below that has not been met and included the rationale supporting staff's recommendation.

Finding 22.22.150g(1) states "The proposed project will result in the continuation, enhancement, and long-term preservation of agricultural operations consisting of the production of food and fiber on the subject site and in the surrounding area."

The Original Project and the Applicant Proposed Alternative 2 place four lots totaling 1,787 and 1,781 acres, respectively, under open space easements representing 95 and 90 percent of the Agriculture and Rural Lands portion of the site, respectively. However, several residential components of the project are proposed within the open space areas including agricultural buffers, the wastewater treatment plant, wastewater storage ponds, drainage basins, landscape mitigation requirements, residential parcels, and the ranch headquarters and Homeowner's Association facility. The Applicant Proposed Alternative 2 includes two additional facility lots. Lot 107, a 0.6-acre lot for the wastewater treatment plan/water recycling facility, and Lot 108, a 2.0-acre lot for the Homeowner's Association/Ranch Headquarters. This conversion of agricultural land as well as the permanent loss of 2.5 acres of Farmland of Statewide Importance, 3.0 acres of Farmland of Local Importance, 153 acres of Unique Farmland, including 113 acres of productive vineyard and 61.9 acres of grazing land, has not met the intent of this finding. Both proposals replant up to 140 acres of vineyard or orchards; however, the long-term success and productivity of these replacement areas is unknown, while the permanent loss of currently productive areas is certain. In addition, the project includes agricultural buffers, within the agricultural parcels, ranging between 150 to 400 feet around the residential parcels, which are included as impacted areas and total approximately 113 acres for both residential lots (56 lots and associated access roads within existing vineyards) and proposed agricultural buffer areas (36.6 acres in Agriculture and 76.4 acres in Rural Lands).

The Original Project and the Applicant Proposed Alternative 2 locate residential development throughout the entire agricultural operation. The non-contiguous design of the proposed residential parcels creates the need for removal of agricultural resources to accommodate buffering, which negatively impacts the continuation, enhancement, and long-term preservation of agricultural operations on the subject site. Furthermore, the proposed project includes several restrictions on how and when the farmer(s) on the open space parcels can operate. Such restrictions could be detrimental to the continuation, enhancement, and long-term preservation of the operation by precluding necessary agricultural practices at appropriate times.

The proposed residential project would be competing with agricultural operation on and off site for a limited water supply. Such competition could preclude continuation, enhancement, and long-term preservation of both on and off site agricultural operations

and may restrict the ability of agricultural operations to meet market demands by changing to more water intensive crops.

Implementation of the proposed residential development would include approximately 254 residents (assuming 2.49 people per household). In addition to the residents, transient population associated with supporting the residences (i.e. household staff, guests, maintenance workers, delivery personnel, etc.) would frequent the subdivision. The location of these residents and associated transient population in proximity to the agriculture areas may result in trespassing, vandalism, crop theft and overall disruption of agricultural practices.

Finding 22.22.150g(2)a which states, "The project has been designed to locate proposed development to avoid and buffer all prime agricultural soils on the site, other agricultural production areas on the site, as well as agricultural operations on adjoining properties", cannot be made as the Original Project and the Applicant Proposed Alternative 2 locate development throughout the entire agricultural operation. The non-contiguous design of the proposed residential parcels creates the need for removal of agricultural resources to accommodate buffering, which negatively impacts the continuation, enhancement, and long-term preservation of agricultural operations on the subject site.

Finding 22.22.150g(2)c which states, "Avoid placement of roads or structures on any environmentally sensitive habitat areas." This finding cannot be made for either the proposal as each directly impacts riparian habitats, wetland habitats, and natural plant communities including oak woodlands, and special-status plant and animal species (including California red-legged frog, pond turtles, cooper's hawk, white-tailed kite, club-haired mariposa lily, Jones' mallow, South-central California Coast steelhead, and nesting birds). The project would result in Class I impacts related to oak tree removal and oak woodland conversion and fragmentation. Approximately 169 and 63 oak trees, respectively (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements), would be removed or impacted by development of the Original Project and the Applicant Proposed Alternative 2 (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements). Oak woodland habitats would be converted or fragmented due to tree removal and impacts from grading or compaction within the root zone, limbing or thinning per CAL FIRE requirements, changes to water regime, decreased reproduction due to ground disturbance, and other types of residential activities. Re-establishment rates of oaks can vary widely between project sites and over time. A Class I impact results due to a combination of the number of trees impacted and the length of time required for replacement trees to reach maturity and for the conservation areas to have similar habitat values as the impacted/removed oak woodlands.

Finding 22.22.150g(2)e, which states "Cluster proposed residential structures to the maximum extent feasible so as to not interfere with agricultural production and to also be

consistent with the goal of maintaining the rural character of the area." T This finding cannot be made for either the proposal as the Original Project and the Applicant Proposed Alternative 2 distribute residential development throughout the entire vineyard area. Residential development covers an area more than two miles in length and over a half mile in width. Based on the non-contiguous layout of the proposed lots, the agricultural operations would be compromised after development of the residential lots because of inherent incompatibilities between residential uses and vineyard operations. These incompatibilities are described in Finding 22.22.150g(1) above and Finding 22.22.150g(c) below.

Finding 22.22.150g(3) states "The proposed project will not result in any significant adverse social impacts affecting on-site or off-site agricultural operations, including but not limited to trespass, vandalism, and complaints about agricultural practices." Implementation of either proposal would include approximately 254 residents living within and arguably intertwined with a highly productive commercial agricultural operation. The lack of, or presence of important social compatibility issues between the two very different uses are inherently related to the proximity of the two uses and design characteristics of the project. In addition to the residents, visiting population associated with supporting the residences (i.e. household staff, guests, maintenance workers, delivery personnel, etc.) would frequent the subdivision. Although the applicant has included many innovative design and operational aspects to the project it is staff's professional assessment that the design of the project does not allow this finding to be made as the location of the residents and the visiting public is in such intimate proximity to the agriculture areas may result in commonly encountered social impacts. These social impacts include complaints about standard agricultural practices such as the presence of field crews near private areas which may operate of varying hours depending on the need of the crop, and noise and dust from agricultural equipment which are seen as opposite of the expectation of quiet enjoyment of residential uses, and concerns from agriculturist related to safety and liability issues created by the interaction of people and machinery and agricultural inputs and impacts from encroachment into crops that can be detrimental to food safety or result in crop loss and inconvenience from trespassing and vandalism.

It is infeasible to control the activities of the residents and visiting population of the agricultural cluster subdivision at all times in order to protect the agricultural operations from these impacts.

Finding 22.22.150g(4) which states, "The water resources and all necessary services are adequate to serve the proposed development, including residential uses as well as existing and proposed agricultural operations on the subject site and in the site vicinity." The FEIR water resource analysis concluded that wells in the fractured bedrock aquifer would be expected to yield adequate groundwater for the project. The sustainable yield was estimated to be 62.4 acre feet per year (afy). The project demand of 46.3 afy is less

than the sustainable yield as long as an extensive series of water conservation measures are implemented indefinitely. The existing agricultural wells would continue to serve the vineyards and proposed replacement vineyards. Based on the FEIR discussion, this finding can be made for both the Original Project and the Applicant Proposed Alternative 2. Nonetheless, numerous comments from nearby property owners and organizations such as the Water Resources Advisory Council have expressed concern with the availability of water in the area and the enforceability of the identified conservation measures. As stated above, the project demand is dependent on numerous mitigation measures requiring compliance with sustainable yield rates, monthly pumping schedules, water conservation, turf limitation, a Water Master Plan, and Drought Water Management Plan.

h. **Access:** The Original Project and the Applicant Proposed Alternative 2 will be accessed from Dana Foothill Road and Los Berros Road, county maintained roads.

i. **Allowed number of parcels and residential density:** The number of parcels allowed in an agricultural cluster division shall be equivalent to the number of dwellings normally allowed in the Agriculture land use category. Residential density is limited to a ratio of one dwelling unit per clustered parcel. Since the project is located on both Agriculture and Rural Lands land use categories, a separate residential density calculation is required for each. The number of clustered parcels for Agriculture is based on the allowed number of dwellings (2) per 20-acre parcel. The number of clustered parcels for Rural Lands is based on the cluster division provisions of Section 22.22.140.B, which allow one dwelling per parcel. The wording in these two requirements are subtle but very important in the aspect that basing the number of parcels potentially allowed (if a project can be designed to meet all findings) based upon the allowed number of 2 units per 20 acre parcel on land designated agriculture creates a valuable incentive or bonus for a land owner to meet the findings that will ensure the intent of the continuation, enhancement, and long-term preservation of agricultural operations consisting of the production of food and fiber. Due to the language differences in the two provisions of Agriculture and Rural Lands clustering policy, staff believes the Board did not grant a parcel incentive to the Rural Lands category and the proposed 102 lots is substantially above the number of parcels allowed.

Table 3 below, identifies the agricultural uses on the site along with the acreage of each use and the associated number of parcels allowed by the acreage of agricultural use.

Table 3:

Agricultural (AG) land use category

Ag Use	***Acreage***	***# of Lots***	***# Dwellings***	***Clustered lots***
Vineyard	487 acres	487/20= 24	2/lot	48 lots
Grazing	340 acres	340/320 = 1	2/lot	2 lots
		TOTAL		**50 lots**
Note: With approximate amount of vineyard removal (36.5 acres) and requirement for 95% open space requirement, ***the approximate number of parcels is reduced to 40 for the Agriculture land use category***.				
		REVISED TOTAL		**40 lots**
Rural Lands (RL) land use category				
N/A	693	693/20	1/lot	34 lots
		TOTAL		**34 lots**
		GRAND TOTAL		**74 lots***

**This is an estimated number that will depend on the size of proposed lots and developable area.*

The applicant proposes to create 102 residential cluster lots on the site and to have one dwelling unit on one of the open space lots. Neither the Original Project nor the Applicant Proposed Alternative 2 comply with this requirement.

j. **Agricultural land/open space preservation:** The applicant is proposing four open space parcels with overlying open space easements with a total of 1,787 and 1,781 acres, respectively. These easements include areas between and around the residential lots. Structural and non-structural uses proposed in the open space easement area, including the ranch headquarters and wastewater treatment plant are not consistent with the Land Use Ordinance Section 22.22.140E.

k. **Site design and development standards**: The Original Project and Applicant Proposed Alternative 2 include residential parcels 1.0 acres in size. This is within the 2.5 acre maximum lot size. 95 percent of the gross site area of the Agriculture portion is required to be in an open space parcel, and 90% of the Rural Lands portion is required to be in an open space parcel. The applicant is proposing four open space lots with a total of 1,781 acres (Applicant Proposed Alternative 2). Development on the site, including the residential parcels, access roads, and wastewater ponds represent approximately 50 acres and would exceed the 5% developable area under the Original Project. No development will occur on soils with a US Soil Conservation Service classification of I or II.

Conclusion: Agricultural Cluster Subdivision Ordinance Compliance
The Original Project and the Applicant Proposed Alternative 2 do not comply with all of the requirements of the Agricultural Cluster Subdivision Ordinance Sections 22.22.150g (Required findings) and 22.22.150k (Site design and development standards) as shown above. Specifically, both projects do not comply with Section 22.22.150g (Required findings), Section 22.22.150.I (Number of parcels), and Section 22.22.150.k (Site design and development standards). In order to comply with these sections, the number of proposed parcels would need to be reduced and the project would require substantial redesign to meet required findings and design standards to mitigate impacts to agricultural production, and impacts to environmentally sensitive areas.

AREA PLAN COMPLIANCE:

The areas proposed for development under the Agriculture Cluster Subdivision are within the South County Inland planning area. The County Area Plans are adopted by the Board of Supervisors and provide the vision for each community. The Area plans are intended to guide future growth and the identity of each specific community. The project is required to be in compliance with following goals listed in the area plan:

South County Inland Area Plan Primary Goal 4: Promote the rural character and heritage of South County with a strong sense of identity and place. The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. Implementation of the proposed project would introduce residential elements within an existing rural area not designed according to adopted agriculture clustering policy, which in part serves to maintain the rural character and heritage between the City of Arroyo Grande and unincorporated community of Nipomo.

South County Inland Area Plan Primary Goal 6: Promote the long-term sustainability of natural resources as growth occurs with sensitivity to the natural and built environment. The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. The Applicant Proposed Alternative proposes to place 1,781 acres of the 1,910-acre site under open space easements and agricultural preserves, including productive agricultural areas, oak woodland, coastal scrub, and grassland habitats. While the resources within these open space and agricultural areas would benefit from this preservation, the Original Project and the Applicant Proposed Alternative 2 would also result in the loss of or impacts to 169 and 63 coast live oak trees, respectively (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements), the permanent conversion of 103 and 113 acres, respectively, of productive vineyard, and permanent loss of 159 acres of Important and Unique Farmland. In addition, secondary impacts to natural resources, such as removal of natural habitat and flora would occur as a result of necessary road improvements for the linear and spreading project design.

South County Inland Area Plan Expansion Goal 7: Strengthen the continuation of agriculture as part of the economic base of the South County area.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. The Applicant Proposed Alternative proposes to place 1,781 acres of the 1,910-acre site under open space easements and agricultural preserves; however, the Original Project and Applicant Proposed Alternative would require the removal of 103 and 113 acres, respectively, of vineyards and the permanent conversion of underlying soils to non-agricultural uses. While approximately 140 and 118 acres, respectively, of replacement vineyards are proposed, the long-term success of these replacement areas is unknown. In addition, the lack of adequate buffers between the proposed residential use and existing and future vineyards would likely result in conflicts that would impair agricultural productivity.

South County Inland Area Plan Community Planning Goal 1: Retain the open, low-density character around and between population centers.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. Implementation of either proposal would modify the existing open, low-density visual character by introducing residential clusters within an existing agricultural area, visible from Highway 101, between the City of Arroyo Grande and community of Nipomo.

South County Inland Area Plan Quality of Life Goal 2: Maintain the rural open countryside of the Nipomo Mesa, the Nipomo valley and the foothills, as a contrast to the development density and activity within the urban and village areas.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. Implementation of either proposal would modify the existing rural character by introducing residential clusters within an existing agricultural area, visible from Highway 101, between the City of Arroyo Grande and community of Nipomo.

South County Inland Area Plan Public Services and Facilities Goal 3: Evaluate the financial capability of service providers to accommodate additional growth by reviewing capital improvement plans before urban expansion or major projects are approved.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. Implementation of either proposal would adversely affect roadways and intersections within the study area. Mitigation measures are recommended, including implementation of road and intersection improvements to County roadways. The proposed project would adversely affect the Highway 101 corridor and associated ramps at the Los Berros Road/North Thompson Road/Highway 101 interchange. The applicant would potentially contribute to the South County Fee Program; however, until improvements are implemented, significant and adverse impacts would occur.

Conclusion: Area Plan Compliance
As described, the Original Project and the Applicant Proposed Alternative 2 do not comply with the applicable planning area goals.

COMBINING DESIGNATIONS:

While two combining designations overlay portions of the Laetitia Agricultural Cluster project site (Flood Hazard and Sensitive Resource Area), these combining designations do not apply to areas proposed for development.

POLICY ANALYSIS

The following is a discussion of the project's inconsistency with applicable policies. Please see Appendix C of the EIR for a more detailed policy consistency analysis.

Countywide General Plan Goals

Environmental Goal 1: Maintain and protect a living environment that is safe, healthful, and pleasant for all residents by conserving nonrenewable resources and replenishing renewable resources.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal as construction of either proposal would affect oak woodland onsite, including removal of 169 and 63 oak trees, respectively (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements), to accommodate development, resulting in a significant and adverse impact, Class I.

Environmental Goal 2: Balance the capacity for growth allowed by the Land Use Element with the sustained availability of resources.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal as implementation of either proposal would result in significant and adverse, Class I, transportation and circulation impacts due to the inadequate capacity of affected roadways and highway facilities.

Population Growth Goal 6: Provide for a sustainable rate of orderly development within the planned capacities of resources and services and the county's and citizens' financial ability to provide them.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal as implementation of either proposal would significantly affect transportation, recreation, and fire protection services. The project will significantly impact the ability of Cal Fire to provide future services to the South County due to the need for an additional fire station. The FEIR includes mitigation for a new fire station or payment of an equivalent in-lieu fee, but the impacts of the project would occur prior to construction of the facility.

Phasing of Urban Development Goal 11: Design and maintain a land use pattern and population capacity that is consistent with the capacities of existing public services and facilities and their programmed expansion where funding has been identified.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal as implementation of either proposal would significantly affect transportation, recreation, and fire protection services. The project will significantly impact the ability of Cal Fire to provide future

services to the South County due to the need for an additional fire station. The FEIR includes mitigation for a new fire station or payment of an equivalent in-lieu fee, but the impacts of the project would occur prior to construction of the facility..

Air Quality Goal 3: Preserve and protect air quality of the County by seeking to attain and maintain state and federal ambient air quality standards.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with the Clean Air Plan, which identifies planning goals and policies to reduce emissions generated by development and traffic trips. Implementation of either proposal would create significant urban development outside of urban areas, requiring the generation of traffic trips to access services, as residents would be reliant on the automobile for the vast majority of all trips made. The resulting impact would be significant and adverse, Class I.

Air Quality Goal 4: Determine and mitigate where feasible, the potential adverse air quality impacts of new development.
The Original Project and the Applicant Proposed Alternative 2 would be inconsistent with the Clean Air Plan, resulting in a significant and adverse impact, Class I. Mitigation is recommended to the maximum extent feasible.

The Clean Air Plan (CAP) for San Luis Obispo County was developed and adopted by the San Luis Obispo Air Pollution Control District (SLOAPCD) to meet air quality requirements. Both proposals would exceed population growth assumptions and result in a substantial increase in vehicle miles traveled. Based on the existing zoning and the General Plan, the CAP assumed 24 units at build-out. Both proposals would result in a population increase of 101 units. This population increase would generate approximately 1,049 trips per day. Residential development outside of urban areas tends to generate more and longer trips compared with similar development within urban areas. The proposals are relatively low density suburban development in a rural area not located near a commercial center. As a result, neither proposal would include sufficient transportation control measures or land use management strategies to be consistent with the CAP.

Air Quality Goal 5: Minimize the generation of air pollutants from projected growth by implementing land use policies and programs that promote and encourage the use of transportation alternatives to the single-passenger vehicle and minimize travel distance and trip generation.
The Original Project and the Applicant Proposed Alternative 2 would be inconsistent with the Clean Air Plan, and associated transportation control measures by developing an urban use within a rural area, generally requiring the use of vehicles to access urban services, resulting in a significant and adverse, Class I, impact. No commercial services are included in the development, nor would they be located within walking or convenient bicycling distance from the project. There are no existing bike lanes or transit stops adjacent to the proposed development that could be incorporated into the project design. Residents would be reliant on the automobile for the vast majority of all trips made.

<u>Distribution of Land Uses Goal 8:</u> Maintain a distinction between urban and rural development by providing for rural uses outside of urban and village areas which are predominantly agriculture, low-intensity recreation, residential and open space uses, which will preserve and enhance the pattern of identifiable communities.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. The proposals include the development of 101 residential lots within a currently operating and productive agricultural and rural area. Implementation of either proposal would result in significant impacts to aesthetic resources by introducing urban development within an agricultural area, which also serves as a green belt between the City of Arroyo Grande and the unincorporated community of Nipomo. While mitigation is recommended to specifically address aesthetic impacts, both proposals would adversely affect the existing appearance of separate urban communities.

<u>Distribution of Land Uses Goal 10:</u> Encourage the protection of agricultural land for the production of food, fiber, and other agricultural commodities.

The applicant proposes to place 1,792 acres of the 1,910-acre site under open space easements and agricultural preserves; however, proposed development would require the removal of 103 and 113 acres, respectively, of vineyards and the permanent conversion of underlying soils to non-agricultural uses. While approximately 140 and 118 acres, respectively, of replacement vineyards are proposed, the long-term success of these replacement areas is unknown. In addition, the lack of adequate buffers between the proposed residential use and existing vineyards would likely result in conflicts that would impair agricultural productivity.

Implementation of either proposal would generate approximately 254 residents. In addition to the residents, transient population associated with supporting the residences (i.e. household staff, guests, maintenance workers, delivery personnel, etc.) would frequent the subdivision. The location of these residents and public in proximity to the agriculture areas may result in trespassing, vandalism, complaints about agricultural practices, and safety and liability issues. With proposed residential parcels, access roads, wastewater treatment plan, ranch headquarters, and agricultural buffers, the amount of developed land will exceed 250 acres. Due to the scattered-lot residential design, transient population impacts may be magnified with greater access to productive agriculture areas.

<u>Residential Land Uses Goal 13</u>: Locate urban residential densities within urban or village reserve lines near employment areas, while protecting residential areas from incompatible and undesirable uses.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this goal. Implementation of either proposal would locate residences above those allowed by the Agricultural and Rural Residential Clustering policies outside of urban and village reserve lines, and over two miles from major employment areas. Residents may be affected by adjacent agricultural operations (e.g., noise, dust, odors) rather than protecting them from potentially incompatible uses.

<u>Public Services and Facilities Goal 15:</u> Provide additional public resources, services and facilities to serve existing communities in sufficient time to avoid overburdening existing resources, services, and facilities.
<u>Public Services and Facilities Goal 16:</u> Avoid the use of public resources, services and facilities beyond their renewable capacities, and monitor new development to ensure that its resource demands will not exceed existing and planned capacities or service levels.
<u>Public Services and Facilities Goal 17:</u> Finance the cost of additional services and facilities from those who benefit by providing for dedications, in-lieu fees, or exactions.
Implementation of either proposal would significantly affect transportation, recreation, and fire protection services. Recommended mitigation in the FEIR includes implementation of road improvements, and dedication of a trail corridor, and dedication of a building envelope for the construction of a fire station, which would partially off-set the project's effect on public resources and services. The timeframe for construction of recreational and fire safety improvements and facilities is unknown; the short-term demand for these resources may exceed the planned capacity of these resources and services. In-lieu and public facility fees would be required, per adopted County fee programs, consistent with these policies, but the impacts of the project would occur prior to construction of the facility.

Noise Element
<u>Noise Element Policy 3.3.3:</u> Noise created by new transportation noise sources, including roadway improvement projects shall be mitigated so as to not exceed the levels specified in Table 3-1 within the outdoor activity areas and interior spaces of existing noise sensitive land uses.
Development of either proposal would create significant amounts of new vehicle traffic traveling on North Thompson Road, which would exacerbate the current exceedance of the 60 dBA outdoor noise threshold as defined by the Noise Element. Although the approximately one decibel increase average over 24 hours would not be perceptible, 1,059 noise impulses associated with daily trips from the project will exacerbate the current exceedance of the 60dBA noise threshold.

<u>Noise Element Policy 3.3.4:</u> New Development of noise-sensitive land uses shall not be permitted where the noise level due to existing stationary noise sources will exceed the noise level standards of Table 3-2 unless effective nose mitigation measures have been incorporated into the design of the development to reduce noise exposure to or below the levels specified in Table 3-2.
The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this policy. Development of either proposal would expose residential parcels of sub-cluster C (Lots 46 through 65) to stationary noise levels associated with activities resulting from operations at the processing facility during harvest season estimated to exceed the hourly nighttime Leq threshold of 45 dBA and the hourly daytime 50 dBA Leq thresholds, resulting in a direct long-term noise impact. A 25-foot tall noise wall is identified to reduce the effects of stationary noise generated by the winery. In addition, proposed residential parcels throughout the project site would be exposed to equipment noise levels associated with vineyard operations estimated to

exceed the hourly nighttime Leq threshold of 45 dBA and the hourly daytime 50 dBA Leq thresholds, resulting in a direct long-term noise impact.

Energy Element

Energy Element Policy 1. Encourage energy efficient land development by promoting compact, residential areas and commercial service cores and non-vehicular linkages between them. Concentrate new growth within existing communities, emphasizing services, so that individual communities become more complete, diverse, and balanced. Allow multi-family housing in and near downtowns, neighborhood commercial centers, and mixed use developments. Isolated and remote residential development projects shall be discouraged.

The Original Project and the Applicant Proposed Alternative 2 are not consistent with this policy as neither are within or adjacent to an existing community. The proposed residential development of either proposal begins approximately 2 miles south of the City of Arroyo Grande and continues south for over a mile. Due to the sprawling, remote, and isolated nature of the development, neither proposal is consistent with this policy.

Energy Element Policy 2. Encourage the concentration of new residential development in higher density residential areas located near major transportation corridors and transit routes. Public facilities, commercial areas, and schools should be grouped into pedestrian and bicycle-accessible core areas that provide a focal point to the community and promote public transit.

The Original Project and the Applicant Proposed Alternative 2 are not consistent with this policy as both proposals would result in low density residential development that would not be concentrated contiguous to the City of Arroyo Grande or community of Nipomo, and would not be located near major transit facilities.

Agriculture and Open Space Element

Agriculture and Open Space Element Policy 11: Agricultural Water Supplies. A. Maintain water resources for production agriculture, both in quality and quantity, so as to prevent the loss of agriculture due to competition for water with urban and suburban development.

The Original Project and the Applicant Proposed Alternative 2 are not consistent with this policy as both proposals compete with agricultural operations for limited groundwater supplies. Water conservation measures proposed by the applicant, and recommended as mitigation measures in the EIR would reduce the anticipated demand for domestic water supply. During prolonged drought conditions, however, the applicant proposes to implement additional measures including limiting irrigation of agricultural crops and common area landscaping.

Agriculture and Open Space Element Policy 17: Agricultural Buffers. A. Protect land designated Agriculture and other lands in production agriculture by using natural or man-made buffers where adjacent to non-agricultural land uses in accordance with the agricultural buffer policies adopted by the Board of Supervisors.

The Original Project and the Applicant Proposed Alternative 2 are not consistent with this policy. The County Agricultural Commissioner recommends a 500-foot buffer between proposed residential development and productive vineyards. Implementation of the either proposal would result in residential parcels located less than 200 feet from existing and proposed productive vineyard areas. In addition, the residential sub-clusters and associated residential roads would be located throughout the vineyards, resulting in inadequate separation between the two uses. As discussed in Section V.B. (Agricultural Resources) of the FEIR, implementation of inadequate buffers would result in land use conflicts that would ultimately adversely affect the long-term management and productivity of the vineyard.

Agriculture and Open Space Element Policy 18: Location of Improvements. B. Locate new buildings, access roads, and structures so as to protect agricultural land.

The Original Project and the Applicant Proposed Alternative 2 are not consistent with this policy as the applicant proposes to remove approximately 103 and 113 acres, respectively, of productive vineyards to accommodate residential development and establish proposed buffer zones.

Agriculture and Open Space Element Policy 20: Agricultural Land Divisions.

a. Where a division of agricultural lands is proposed, a contiguous cluster division consistent with AGP22 is an alternative to a conventional "lot split" land division. (Discussion: Agricultural cluster divisions provide a way to protect lands for continued and enhanced agricultural production, particularly if the homes are clustered in a compact, contiguous manner which reduces the agricultural/residential interface. When any division of agricultural land is proposed, the county Agriculture Department should carefully review the proposal. The primary concern should be that the resulting parcels will maintain the land resources, so they will have a strong likelihood of remaining in long-term sustainable agriculture.)

b. Where a land division is proposed, the proposed parcels should be designed to ensure the long term protection of agricultural resources.

The Original Project and the Applicant Proposed Alternative 2 are inconsistent with this policy because long term protection of agricultural resources for continued and enhanced production is not ensured within either proposal due to the non-contiguous/compact location of the proposed residences that results in maximum interface with vineyard areas. The residential sub-clusters and associated residential roads would be located throughout the vineyards, resulting in inadequate separation between the two uses. Implementation of inadequate buffers would result in land use conflicts that would ultimately adversely affect the long-term management and productivity of the vineyard.

Agriculture and Open Space Element Policy 21: Minimum Parcel Size Criteria for the Division of Agricultural Lands

a. Minimum parcel sizes for the proposed division of land designated Agriculture shall be based upon the existing and potential use of the land for cropland and

grazing. Minimum parcel size standards for the creation of new parcels are shown in Figure 2.2.

<u>Agriculture and Open Space Element Policy 22:</u> Major Agricultural Cluster Projects.

b. The maximum number of parcels allowed in a major agricultural cluster project shall be equivalent to the number of primary dwellings normally allowed on the parcels that would result from a conventional land division in the Agriculture land use category based on the minimum parcel size criteria. (Major agricultural cluster projects may include reduction in the number of parcels down to 26 percent of the maximum potential allowance if proposed by the applicant in order to mitigate potential impacts of the project.)

The applicant is requesting approval of a major agricultural cluster. The project site is located approximately two miles south of the City of Arroyo Grande, and two miles north of the unincorporated community of Nipomo. 102 residential lots, each one acre in size, and four open space easements, 477.89, 723, 205.63, and 380.33 acres each are proposed. One dwelling is proposed on each residential lot. The open space lots would be placed under open space easements/agricultural preserves, and would support vineyards, orchards, the existing winery and associated facilities, wastewater treatment facilities, ranch headquarters/homeowners association facility, and undeveloped open space. The project site is located within two land use categories: Agriculture and Rural Lands. Based on the applicant's calculations, allowable residential density based on existing agricultural uses would be 49 dwellings within the Agriculture land use category, assuming a 20-acre minimum parcel size. The applicant proposes 40 one-acre residential parcels within the Agriculture land use category. AGP22 does not provide guidance regarding cluster divisions on land use categories other than Agriculture.

In addition, the applicant's calculations incorrectly take into consideration proposed new agricultural areas (which may or may not be successfully productive), and do not take into consideration productive areas lost due to proposed buffer zones.

<u>Agriculture and Open Space Element Policy 24:</u> Conversion of Agricultural Land.

a. Discourage the conversion of agricultural lands to non-agricultural uses through the following actions:

1. Work in cooperation with the incorporated cities, service districts, school districts, the County Department of Agriculture, the Agricultural Liaison Board, Farm Bureau, and affected community advisory groups to establish urban service and urban reserve lines and village reserve lines that will protect agricultural land and will stabilize agriculture at the urban fringe.

2. Establish clear criteria in this plan and the Land Use Element for changing the designation of land from Agriculture to non-agricultural designations.

3. Avoid land redesignation (rezoning) that would create new rural residential development outside the urban and village reserve lines.

4. Avoid locating new public facilities outside urban and village reserve lines unless they serve a rural function or there is no feasible alternative location within the urban and village reserve lines.

The Original Project and the Applicant Proposed Alternative 2 are both located outside of any urban or village reserve lines, which were established to protect agricultural land and stabilize agriculture at the urban fringe. Implementation of the Original Project or the Applicant Proposed Alternative 2 would result in the removal of approximately 103 and 113 acres, respectively, of productive vineyard. In addition, both proposals would result in the conversion of approximately 12.5 acres of Farmland of Statewide Importance, 3.0 acres of Farmland of Local Importance, 153 acres of Unique Farmland, and 61.9 acres of Grazing Land. The applicant proposes to plant approximately 140 and 118 acres, respectively, of replacement vineyards on the project site; however, this would only partially offset the significant and adverse effects. The long-term maintenance and sustainability of these proposed replacement areas is not certain, while the conversion of agricultural lands to a residential use is irreversible for the life of the project.

Agriculture and Open Space Element Policy 25: Unique for Sensitive Habitat

a. Encourage private landowners to protect and preserve unique or sensitive habitat.

b. For new development requiring a discretionary permit and for proposed land divisions, protect unique or sensitive habitat affected by the proposal through the following measures:

1. Site the proposed development so as to avoid significant impacts on the habitat or significant impacts on the agricultural operations. Provide for adjustments in project design where alternatives are infeasible, more environmentally damaging, or have a significant negative impact on agriculture.

2. When significant impacts are identified, the landowner shall implement county-approved mitigation measures consistent with the existing requirements of CEQA.

Implementation of either proposal would result in the removal or impacts to sensitive biological habitats including oak woodland, riparian habitat, and wetland habitat. Mitigation measures are recommended to reduce the effects of the development on identified sensitive habitats; however, based on the acreage of oak woodland affected by the project, a significant and adverse, Class I, impact would occur.

Agriculture and Open Space Element Policy 26: Streams and Riparian Corridors

a. Encourage private landowners to protect and preserve stream corridors in their natural state and to restore stream corridors that have been degraded. Provide information and incentives to eliminate overgrazing in stream corridors. Encourage off-stream livestock watering sources.

b. For new development requiring a discretionary permit and for land divisions, protect streams and riparian habitat affected by the proposal through the following measures:

1. Consistent with the requirements of the Regional Water Quality Control Board's Basin Plan, establish a grading and building setback of 30 feet from the top of the steam bank. Locate buildings and structures outside the setback. Do not remove riparian vegetation within 30 feet of the top of the stream bank. Provide for adjustments when the applicant demonstrates that such setbacks

would have a significant negative impact on the agricultural viability of the site, or where alternatives are infeasible or more environmentally damaging, and the adjustments are acceptable to the Regional Board.

2. Require appropriate erosion control measures during and following construction.

3. Consistent with state and federal requirements, allow steam alterations for water supply and flood control projects, road maintenance, maintenance of existing channels, or improvement of fish and wildlife habitat if there are no practical alternatives. 4. Consistent with state and federal requirements, assure that stream diversion structures protect habitats.

5. When significant impacts to stream or riparian resources are identified, the landowner shall implement county-approved mitigation measures consistent with the existing requirements of CEQA.

The Original Project and the Applicant Proposed Alternative 2 would require consultation with and permits from U.S. Army Corps of Engineers (USACE), U.S. Fish and Wildlife Service (USFWS), California Department of Fish and Wildlife (CDFW), and RWQCB for work within state and federal jurisdictional areas.

<u>Agriculture and Open Space Element Policy 30:</u> Scenic Resources.

a. Designation of a scenic corridor through the public hearing process as described under OSP24, and its subsequent management as described in OSP25, shall not interfere with agricultural uses on private lands.

b. In designated scenic corridors, new development requiring a discretionary permit and land divisions shall address the protection of scenic vistas as follows:

1. Balance the protection of the scenic resources with the protection of agricultural resources and facilities.

2. When selecting locations for structures, access roads, or grading, the preferred locations will minimize visibility from the scenic corridor and be compatible with agricultural operations.

3. Use natural landforms and vegetation to screen development whenever possible.

4. In prominent locations, encourage structures that blend with the natural landscape or are traditional for agriculture.

The western and northern portions of the project site are located within a Sensitive Resource Area designation, including portions of sub-clusters A, C, and E. Based on the visual analysis, potentially significant visual impacts would occur with either proposal, including silhouetting above the ridgeline, the creation of visible road cuts, and degradation of visual character. Mitigation measures and design standards are recommended to encourage compliance with these standards; however, residual impacts would be significant, adverse, and unavoidable. In addition, as discussed in the EIR, implementation of mitigation measures to minimize adverse visual impacts would result in additional impacts to agricultural resources, including decreased buffer distances and additional removal of vineyards.

Agriculture and Open Space Element Policy 33: Archaeological and Cultural Sites

a. When reviewing discretionary development, protect sensitive archaeological and cultural sites by avoiding disturbance where feasible.

Significant archaeological and historical sites are identified on the project site. Mitigation measures are recommended including: preservation of historically significant structures and soil capping; however, unless an alternative project is implemented including elimination of lots within highly sensitive areas and relocation of lots and/or building envelopes, effluent disposal area(s), and proposed new replacement vineyards to avoid archaeological sites, the Original Project is inconsistent with this policy.

Agricultural and Open Space Element Policy 34: Historical Resources

a. When initiated by landowners, protect the character of significant historical features and settings by implementing the recommendation for historical resources found in the Historic Element of the Environment Plan.

Implementation of the Original Project originally proposed project or the Applicant Proposed Alternative 2 would impact features of the Campodonico Ranch complex including the demolition and removal of three historically significant buildings and four contributing features. Mitigation measures for these impacts are recommended in the FEIR, including preservation of some features and documentation, which would reduce the impact to a Class II, less than significant. These mitigation measures are incorporated into Applicant Proposed Alternative 2.

Conclusion: Policy Analysis

As described above, the Original Project and the Applicant Proposed Alternative 2 are not consistent with the applicable policies.

ENVIRONMENTAL DETERMINATION:

The Environmental Impact Report (EIR) for the Laetitia Agricultural Cluster Subdivision addresses potential impacts to Aesthetics Resources, Agricultural Resources, Air Quality, Archaeological Resources, Biological Resources, Geology and Soils, Hazards and Hazardous Materials, Noise, Public Services and Utilities, Recreation, Transportation and Circulation, Wastewater, and Water Resources. The Original Project would result in twenty (20) significant and unavoidable (Class I) impacts. Issue areas with Class I impacts include: Aesthetic Resources, Agricultural Resources; Air Quality; Archaeological Resources, Biological Resources, Hazards and Hazardous Materials, Noise; Public Services and Utilities, and Transportation and Circulation. The Applicant Proposed Alternative 2 would result in fifteen (15) significant and unavoidable (Class I) impacts, which would be the same impacts as the Original Project with the exception of two Class I impacts each to Aesthetic Resources and Archaeological Resources, and one Class I impact to Biological Resources. These five Class I impacts would be reduced to significant but mitigatable (Class II) under this alternative.

The EIR also analyzes one No Project Alternative and ten project alternatives to the Agricultural Residential Cluster Subdivision.

The potential impacts for each issue area resulting from the Original Project and the Applicant Proposed Alternative 2 are summarized below, followed by a discussion of the alternatives which are environmentally superior to the Original Project. Please see the EIR for greater detail.

Aesthetic Resources

Original Project. The project would result in substantial amounts of grading and earthwork, which will be visible due to the extensive visual exposure the site has to the surrounding public roads and other areas. The visual contrast of disturbed earth combined with the angular appearance of engineered cut and fill slopes would be potentially seen from great distances. This degree of visibility would increase noticeability of the project as a whole and would contribute to an alteration of existing rural character. The project would be visible from many viewpoints in the surrounding area and from important public roadways. The majority of the residences would be visible from at least one of the many viewpoints the project site affords.

The project would also create a new source of night lighting visible from the Highway 101 corridor, Upper Los Berros Road, Dana Foothill Road, and residences in the area. The elevated locations of the lots and internal roadways relative to most viewpoints would position the lights onto the hillside backdrops for the affected viewers.

During the preparation of the aesthetics resource analysis for the EIR, several components of the proposed project were determined to be highly visible as seen from the Highway 101 travel corridor. Implementation of these project elements would result in significant changes to the existing rural character, and would increase the overall noticeability of the project as a whole. Project elements and associated earthwork include: Residential Sub-clusters C and E; Main Road 2; Roads A, B, E, and F; and, the water tank. This impact is significant and unavoidable (Class I).

Applicant Proposed Alternative 2. The Applicant Proposed Alternative 2 would locate some lots to reduce of visual prominence of future residences as viewed from off-site public viewpoints. While this alternative would impose a 25-foot height limit, the significant unavoidable impacts resulting from the development of Sub-cluster E (Lots 87 through 105) would remain significant and unavoidable (AES Impact 4). As noted in the EIR analysis, Sub-cluster E occupies the highest elevation on the hillsides, and as a result is the most visible from a distance. This alternative does not change the design of Sub-cluster E; therefore, this impact remains significant, adverse, and unavoidable

Agricultural Resources

Original Project. The project would result in Class I impacts related to agricultural conversion, land use compatibility, and cumulative loss of productive farmland. Site disturbance associated with the development of the proposed project, including residential lots and related infrastructure, is approximately 127 acres. However, the non-contiguous nature of the proposed project and inadequate buffers between the existing agricultural use and proposed residential use and access roads.

In addition, the proposed project would result in the permanent loss of 12.5 acres of Farmland of Statewide Importance; 3.0 acres of Farmland of Local Importance; 153 acres of Unique Farmland, including 113 acres of productive vineyard; and 61.9 acres of Grazing Land. Implementation of the proposed project would set an adverse precedent in the county by resulting in the permanent conversion and loss of 103 acres of existing productive vineyard.

Applicant Proposed Alternative 2. The amended project alternative would result in Class I impacts related to agricultural conversion, land use compatibility, and cumulative loss of productive farmland. Site disturbance associated with the amended project alternative would be similar to the proposed project, including maintaining the non-contiguous nature of residential development. Under this Alternative, 113 acres of vineyard would be removed.

Air Quality

Original Project. There are several sources of air emissions associated with the proposed agricultural residential cluster subdivision. These include: long term emissions associated with vehicle traffic and electricity and natural gas usage; emissions associated with construction equipment and demolition activities; dust generated by grading required for the installation of infrastructure systems as well as individual lot development; and potential odor emissions associated with the wastewater treatment plant. Potential dust generation, demolition, burning, construction emissions and odor impacts have been determined to be Class II, significant but mitigatable.

The Original Project would result in Class I impacts related to incompatibility with the Clean Air Plan (CAP). The Original Project would exceed population growth assumptions and result in a substantial increase in vehicle miles traveled. Based on the existing zoning and the General Plan, the CAP assumed 24 units at build-out. The Original Project would result in a population increase of 101 units. This population increase would generate approximately 1,049 trips per day. Residential development outside of urban areas tends to generate more and longer trips compared with similar development within urban areas. The Original Project is a relatively low density suburban development in a rural area not located near a commercial center. As a result, the project would not include sufficient transportation control measures or land use management strategies to be consistent with the CAP.

Applicant Proposed Alternative 2. The Applicant Proposed Alternative 2 has the same number of residential units as the Original Project and would have similar potential dust

generation, demolition, burning, construction emissions and odor impacts that would be Class II, significant but mitigatable. Refer to the *Original Project* above for additional discussion. The Applicant Proposed Alternative 2 would also result in Class I impacts related to incompatibility with the Clean Air Plan (CAP), as it would exceed population growth assumptions and result in a substantial increase in vehicle miles traveled.

Archaeological Resources

Original Project. Implementation of the Original Project would result in direct impacts to nine significant archaeological sites, including physical damage to known resources. Sixteen archaeological sites have been documented on and within a 0.25 mile radius of the project site, including four previously documented sites that were confirmed. Implementation of the proposed project would result in an increase of the number of people, and access to ten significant archaeological sites located within or adjacent to residential and recreational areas and access roads. There is the potential for future residents to collect materials visible on the surface, and potentially dig into the soil for artifact collection, resulting in significant, indirect impacts to known resources.

The Original Project would result in Class I, significant and unavoidable impacts associated with grading and trenching activities from residential development and vineyard replacement. This includes direct project-related impacts as well as cumulative loss of intact archaeological resources in the South County area.

Applicant Proposed Alternative 2. The Applicant Proposed Alternative 2 includes mitigation measures identified in the Draft EIR (2008) such as the elimination of structural development and effluent disposal within areas known to contain significant archaeological resources. The applicant's proposed modifications to the project design, including relocation of residential lots, reconfiguration of proposed new vineyards, and elimination of the proposed equestrian center, would avoid project-specific and cumulative adverse impacts to identified significant archaeological sites SLO-1317, SLO-2522, SLO-2526, and SLO-2528. In addition, proposed modifications to effluent disposal areas would avoid potential impacts to significant archaeological resource. Implementation of recommended mitigation measures would reduce identified impacts to less than significant.

Biological Resources

Original Project. The project site consists of an active vineyard and various natural plant communities and/or wildlife habitat types. The natural habitat types include California annual grassland, coastal scrub, Central Coast cottonwood-sycamore riparian forest, Central Coast riparian scrub, freshwater marsh wetland, and eucalyptus grove. The non-natural habitat is agriculture (vineyard).

The Original Project would result in Class I impacts related to oak tree removal and oak woodland conversion and fragmentation. Approximately 169 oak trees would be removed or

impacted by development of the Original Project (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements). Oak woodland habitats would be converted or fragmented due to tree removal and impacts from grading or compaction within the root zone, limbing or thinning per CAL FIRE requirements, changes to water regime, decreased reproduction due to ground disturbance, and other types of residential activities. Re-establishment rates of oaks can vary widely between project sites and over time. A Class I impact results due to the length of time required for replacement trees to reach maturity and for the conservation areas to have similar habitat values as the impacted/removed oak woodlands.

Approximately 114 acres of grassland, 9.20 acres of coastal scrub, 0.66 acres of central coast riparian scrub, 0.55 acres of freshwater marsh wetland, 14.35 acres of coast live oak woodland, and 0.21 acres of riparian forest would be impacted by project related activities, including grading for residential development, installation of replacement vineyards, and fragmentation of natural habitat. These impacts would be Class II, significant but mitigatable. The agricultural residential cluster subdivision would impact nesting birds, red-legged frog, and south-central California Coast steelhead, which would also be a Class II, significant but mitigatable, impact.

Applicant Proposed Alternative 2. The Applicant Proposed Alternative 2 is located in the same general area as the Original Project, and therefore contains the same habitat types as the agricultural residential cluster subdivision.

The Applicant Proposed Alternative 2 includes relocation of residential lots, realignment of roadways, and elimination of the equestrian center and would result in the removal of up to seven oak trees and impacts to up to 56 oak trees, (not including approximately 94 oak trees and 16 sycamore trees that would be affected by off-site road improvements) which is a substantial reduction compared to the proposed project. Therefore, potential significant, adverse, and unavoidable impacts to oak woodland would be reduced to less than significant with mitigation under this alternative.

Similar to the Original Project, natural habitat communities would be impacted by project related activities, including grading for residential development, installation of replacement vineyards, and fragmentation of natural habitat. These impacts would be Class II, significant but mitigatable. The agricultural residential cluster subdivision would impact nesting birds, red-legged frog, and south-central California Coast steelhead, which would also be a Class II, significant but mitigatable, impact.

Geology and Soils

Original Project. Impacts to the Original Project include potential landslide risk, grading activities that result in potential unstable cut and fill slopes, expansive surficial soils, radon gas, structure shaking from seismic activity, and seismically-induced slope failure. These are Class II, significant but mitigable, impacts.

Applicant Proposed Alternative 2. Implementation of this alternative would result in similar impacts as the proposed project. No lots would be located within older landslide deposits; however, the lots would be located below these deposits. Substantial grading, including deep cut slopes, is anticipated to implement this alternative. Implementation of standard mitigation measures specific to geologic hazards would be required. In addition, individual soils engineering reports would be required upon application for construction permits for individual lot development. Similar to the proposed project, identified impacts would be mitigated to less than significant.

Hazards and Hazardous Materials

Original Project. The project site is located within a high fire hazard area, and is served by CAL FIRE. The project site is surrounding by wildland, and proposed structures could be exposed to significant fire hazards. Based on the proposed project design, primary access would be via Upper Los Berros Road. The maximum length of any dead-end road serving the proposed parcels is 1,320 feet. Primary access would be via Main Road 1, which connects with both Upper Los Berros Road and Laetitia Vineyard Drive. Secondary access is proposed via Laetitia Vineyard Drive, which connects with Highway 101 at an existing at-grade intersection, and currently serves as the entrance driveway to the winery and tasting room facility. The "crash-gate" proposed by the applicant would prohibit eastbound traffic from entering the residential subdivision from Laetitia Vineyard Drive. CAL FIRE does not permit the use of a crash gate, and recommends a "no-notice" gate that will open automatically upon approach to allow free-flow egress from the residential area onto Laetitia Vineyard Drive. Based on consultation with Caltrans, the generation of any non-emergency traffic trips at the Highway 101/Laetitia Vineyard Drive intersection would result in a significant and unavoidable, Class I impact.

Applicant Proposed Alternative 2. Implementation of this alternative would result in similar impacts as the proposed project. This alternative proposes secondary access onto Highway 101, including a 24/7/365 occupied guard station intended to prevent "non-emergency" use of this secondary access road; however, based on consultation with CAL FIRE, no gate (or an automatic gate) is required to provide adequate secondary access. Furthermore, CAL FIRE recommends that the secondary access be a familiar route. In the event of a fire or other emergency requiring evacuation, residents and occupants must be able to freely exit the development without confusion or obstruction. CAL FIRE has also reviewed the applicant's proposal for a full-time guard station to restrict use of the secondary access road, and considers this an acceptable option; however, Caltrans has stated that identification of this road for secondary access is not consistent with the existing Encroachment Permit for the site. Additional concerns regarding public safety and traffic operations have also been identified by Caltrans throughout their continued review of the project. This proposed alternative would not comply with these standards, due to the lack of adequate and feasible secondary access to the project site; therefore, this impact (HM Impact 2) would remain significant and unavoidable.

Historic Resources

Originally Proposed Project. The project site includes the Campodonico Ranch, which is a significant concentration of buildings, structures, and other linked features that express a continuity of use and represent distinctive construction practices of a specific era. The Ranch appears eligible for inclusion in the California State Register of Historic Resources (CRHR). The Original Project includes demolition and removal of three historically significant buildings and four contributing features of the complex. These impacts are significant and mitigatable, Class II.

Applicant Proposed Alternative 2. Construction of the proposed ranch headquarters would adversely affect a significant historical complex adjacent to Upper Los Berros Road. This alternative incorporates preservation and relocation of significant historical structures and additional documentation of less sensitive structures to be removed. Implementation of these measures would not result in significant secondary impacts to other resources.

Noise

Original Project. Development of the proposed project would expose residential parcels of Sub-cluster C (Lots 46 through 65) to stationary noise levels associated with activities resulting from operations at the processing facility during harvest season, resulting in a Class I, significant and unavoidable, impact. Development of the proposed project would expose residential parcels throughout the project site to equipment noise levels associated with vineyard operations. Noise impacts to existing receptors located adjacent to roadways in the project vicinity would be less than significant due to the small increase in noise generated by the additional traffic trips (1.2 decibels). Other significant and mitigatable impacts include temporary construction-related noise and ranch headquarters noise.

Applicant Proposed Alternative 2. Implementation of this alternative includes the construction of a noise wall near the existing winery, which would partially reduce potential impacts resulting from exposure to stationary noise to less than significant (NS Impact 3). Sensitive residential uses would be exposed to agricultural noise, similar to the proposed project (NS Impact 3), and would result in significant and avoidable (Class I) impacts related to land use conflicts, due to the proximity of proposed residential uses adjacent to production agriculture. Implementation of this alternative would generate transportation-related noise impacting offsite residents adjacent to affected roadways, similar to the proposed project. This impact would be considered less than significant, because the increase in noise level would be approximately 1.2 decibels above existing conditions, which would not be significantly perceptible.

Paleontological Resources

Original Project. The Original Project includes grading and trenching activities for the construction of roads and structures, and installation of infrastructure and utilities during all phases of development within these geological formations have the potential to result in the destruction of fossils. In addition, these activities may expose fossils, resulting in the illegal

possession of significant paleontological resources. With mitigation, these impacts are significant but mitigatable, Class II.

Applicant Proposed Alternative 2. The boundaries of this alternative would be located within areas mapped as Obispo and Paso Robles formations, which have produced significant fossils in San Luis Obispo County. Implementation of this alternative would result in similar impacts to paleontological resources as the proposed project. Implementation of a mitigation and monitoring plan would be required. Similar to the proposed project, potential impacts would be less than significant with mitigation.

Public Services and Utilities

Original Project. The Original Project would increase the County population by approximately 254 people (102 residential dwelling units x 2.49 persons per unit). As a result, development under the proposed project would increase the number of residents served by the South Station, thereby widening the officer to population gap. The applicant is required to submit payment of public facilities fees to the County, which will mitigate the project's impact on police and emergency services (e.g., equipment, facilities, etc.). As discussed below, improving secondary access and implementing defensible space design measures would offset the anticipated demand for emergency services response. However, the increased demand for emergency services personnel and facilities would occur prior to construction and operation of a new facility, and the impact is significant and unavoidable, Class I.

Applicant Proposed Alternative 2. Implementation of the proposed project would not reduce the onsite density; therefore, it would result in similar impacts. Although increased property taxes from onsite uses would provide revenue for public services, the additional revenue would not adequately address the increased demand for fire and other responder services in the event of an emergency, because it would not readily result in the hiring of additional personnel, and as noted by CAL FIRE, would require the construction and operation of a new facility. Therefore, this alternative would result in a significant, adverse, and unavoidable impact (PSU Impact 4), similar to the proposed project.

Recreation

Original Project. As proposed, the project would include 102 single-family residences, including one existing estate residence. Based on the average San Luis Obispo County household size of 2.49 persons (U.S. Census Bureau; 2000), the direct population growth associated with these 101 residential dwelling units would be 251 people (101 residential dwelling units x 2.49 persons per unit). The creation of 251 additional residents in the project area would increase the demand for parks or other recreational opportunities in the area.

The proposed project includes a 1.4-acre ranch headquarters that would provide private recreational facilities, including a clubhouse, pool, and two tennis courts. In addition, the proposed project includes a private equestrian facility with a corral/outdoor riding arena,

pasture, barn, and trailheads leading offsite. Development of the proposed project would increase the demand for existing neighborhood and community parks or other recreational facilities.

Applicant Proposed Alternative 2. Implementation of this alternative would result in recreation impacts similar to the proposed project.

Transportation and Circulation

Original Project. The agricultural residential cluster subdivision is expected to generate 1,049 average daily trips (80 AM peak hour and 108 PM peak hour trips), excluding the dude ranch. The proposed project would add traffic to southbound Highway 101 during the p.m. peak hour and exacerbate an existing deficient condition according to Caltrans standards. The proposed project would exacerbate existing deficient conditions at the Highway 101/Los Berros Road/North Thompson Road ramp junctions during the p.m. peak hour. Since the mitigation for this impact cannot be guaranteed due to the requirement for a Caltrans encroachment permit or Project Study Report, this impact is significant and unavoidable. The proposed control of the emergency vehicle access at Laetitia Vineyard Drive does not guarantee emergency-only access, because the gate could physically be opened for non-emergency use, resulting in a significant project-specific impact. These direct impacts of the Original Project as well as the cumulative impacts both result in significant and unavoidable (Class 1) impacts. The proposed project also includes significant and avoidable (Class II) impacts for left turn movements on Sheehy Road, exacerbation of a deficiency at the Sheehy Road/North Dana Foothill intersection, unpaved shoulders and roadway striping, inadequate site distance, and inadequate parking.

Applicant Proposed Alternative 2. Implementation of this alternative would not reduce the number of traffic trips generated by the project, and would result in the same effects as the proposed project, including project-specific and cumulative significant, unavoidable, and adverse impact to Highway 101 southbound and the Highway 101/Los Berros Road/North Thompson Road ramp junctions during the p.m. peak hour (TR Impact 4 and TR Impact 15).

Offsite road improvements to Los Berros Road, Sheehy Road, and North Dana Foothill Road would be necessary, similar to the proposed project identified in the Draft EIR (2008), and would result in significant secondary impacts related to the widening of Los Berros Road. Incorporation of a full-time (24/7/365) occupied guard station on Main Road 1 is intended by the applicant to prohibit residential trips using the existing Highway 101/Laetitia Vineyard Drive access location to enter or exit the residential development. Based on consultation with Caltrans, including a joint meeting with the California Department of Forestry and Fire Protection (CAL FIRE) on February 22, 2011, this approach would not guarantee zero additional residential trips generated at this intersection; therefore, this impact would be significant, adverse, and unavoidable, similar to the project identified in the Draft EIR (2008) (TR Impact 10), and would also result in a significant cumulative impact (TR Impact 13) as a result of the continued and increased degradation of the intersection.

Water

Original Project. The applicant proposes to use groundwater to provide water for domestic use. The proposed agricultural residential cluster subdivision would use about 46.3 acre-feet per year (afy) of water. This demand estimate was based on an assessment by the applicant, the County of San Luis Obispo Water Master Plan Update, and a comprehensive assessment by a third-party independent consultant, GeoSyntec, following an extensive well-testing program. Based on the analysis, development of the proposed project would potentially result in a direct, long-term impact to the surface and groundwater quantity if over-pumping or inefficient use of available domestic water resources. This is a significant but mitigatable impact (Class II), with extensive mitigation measures. These measures include a Water Master Plan that includes a Drought Water Management Program, annual reporting documenting water use, outdoor landscaping restrictions, low-flow fixtures, and limitations on future phases of development if these measures cannot be achieved.

The Original Project would create additional impervious surfaces, and would result in a net increase in peak stormwater discharge. Vegetation removal, grading, trenching, and construction activities associated with all phases of development, including tract improvements, facility construction, individual lot development, and utility installation would result in erosion and down-gradient sedimentation and pollutant discharges (e.g., sediment, oil, fuel, materials) into sources of surface water, including Los Berros Creek and its tributaries. Incidental failure of treated effluent storage facilities could result in over-topping or sudden accidental release of treated effluent resulting in direct impacts to Los Berros Creek. These impacts are significant and mitigatable (Class II).

Applicant Proposed Alternative 2. Elimination of the equestrian center from the 2008 proposed project reduced project water demand by 4.4 acre feet per year (afy), or approximately one percent. Incorporation of water conservation measures identified in the Draft EIR (2008) and strict limitations on landscaped area further reduces demands for indoor and outdoor water use, for an estimated annual demand of 46.3 afy (a 64 percent reduction from the Original Project). Similar to the proposed project, mitigation measures are necessary to ensure that use of proposed wells does not exceed recommended sustainable yields or have an adverse effect on streamflow within Los Berros Creek. Based on implementation of recommended mitigation measures, potential impacts would be less than significant. Identified mitigation includes upgrading the wastewater treatment facility to produce up to 37 afy of tertiary treated water to be used for irrigation. Staff did not consider this water use to be an off-set for project water demand, and the amount of water produced by the treatment plant would vary depending on the level of water conservation required under the Drought Water Management Plan. Spreading out the proposed disposal area would contribute to a reduction in irrigation water demand and reduce the potential for build-up of salts and other concentrations in the soil and underlying groundwater. Potential impacts would be less than significant.

Potential impacts to surface water quality would be similar to the proposed project, including the potential for sediment and hydrocarbon discharge into surface water. Mitigation would be necessary, including implementation of erosion and sedimentation control measures, BMPs, LID strategies, and a Stormwater Pollution Prevention Plan (SWPPP). Based on implementation of recommended mitigation, potential impacts would be less than significant.

DESCRIPTION OF ALTERNATIVES

1. **No Project Alternative**
   This alternative considers impacts based on the existing conditions and zoning without further development such as the proposed project.

2. **Mitigated Project: Applicant Proposed Alternative.**
   This alternative includes a Mitigated Project proposed by the applicant, which incorporates many of the mitigation measures identified in the 2008 Draft EIR. This alternative includes the same number of residential lots (102), eliminates the equestrian center, modifies the location of recycled water disposal, and incorporates a modified tract map, building envelopes, and access roads to avoid or minimize environmental effects identified in the 2008 Draft EIR.

3. **Reduced Project A: Ordinance and General Plan Consistency Alternative**.
   This alternative considers a reduced density cluster division (56 to 84 residential lots), pursuant to the Land Use Ordinance and the Agriculture and Open Space Element.

4. **Reduced Project B: Reduced Density Two-Cluster Alternative**.
   This alternative considers a two-cluster design, and lot size reduction to 10,000 square feet within the Agriculture land use category. The overall residential density would be reduced by approximately 26 percent, resulting in the development of 75 residential lots.

5. **Redesigned Project A: Single Cluster Alternative**.
   This alternative considers a project that includes residential lots within a single cluster to concentrate development in one location on the project site. The overall residential density would be reduced by 40 percent, resulting in the development of 60 residential lots.

6. **Redesigned Project B: Single Cluster Alternative, 93% Reduction**.
   This alternative considers a project that includes seven residential lots within a single cluster to concentrate development in one location on the project site. The overall residential density would be reduced by approximately 93 percent.

7. **Redesigned Project C: Effluent Disposal Option.**
   This option proposes to distribute treated effluent throughout the vineyards for disposal, rather than designate a specific area for disposal. Additional disposal areas would include landscaping and common areas.

8. **Alternative Project Location.**
   This alternative will include analysis of a project located on an alternative site that would reduce otherwise significant impacts to less than significant levels, to the maximum extent feasible.

9. **Proposed Project with Tract Design Mitigation.**
   This alternative is the proposed project with implementation of all EIR recommended mitigation measures intended to reduce significant environmental impacts by re-design of the proposed tract map. The residential density would remain the same (102 lots).

10. **Alternative Access Option.**
    This alternative option proposes a secondary access road, which would extend south from Main Road 1, to connect with an extension of Cimmaron Way (offsite). This alternative also includes the extension of Dana Foothill Road across Melschau Creek, to create a circulation connection to Tefft Street, and improve primary and secondary access for the project and surrounding areas. This alternative is considered based on comments received from County Public Works and the California Department of Transportation (Caltrans).

Environmentally Superior Alternative

The No Project (Alternative 1) is considered environmentally superior overall since no development that could result in significant environmental impacts would occur.

Among the other development alternatives, the Redesigned Project B - Single Cluster Alternative, 93% Reduction (Alternative 6) is environmentally superior overall (although substantially different than the proposed project), while the other alternatives are all superior to the Original Project in certain respects.

EVALUATION OF ALTERNATIVES

Compliance with the Land Use Ordinance, Area Plan, and applicable policies for the environmentally superior alternatives are described below. Each of the environmentally superior alternatives are consistent with the affected areas, lands eligible for clustering, eligibility of land under Agriculture Preserve contract, permit requirements, environmental review, access, and allowed number of parcels and residential density provisions of the agriculture cluster subdivision ordinance.

STAFF RECOMMENDATION

Staff recommends the Planning Commission take the following actions:

1. Deny the application of Janneck, Limited for Vesting Tentative Tract 2660 (SUB2003-00001) and Conditional Use Permit DRC2003-00001; and
2. Adopt the Findings included in Exhibit A.

COMMUNITY ADVISORY GROUP COMMENTS: The South County Advisory Council (SCAC) reviewed the project numerous times over the life of the project. The project and Final EIR were reviewed by the SCAC at their regularly scheduled meeting of June 22, 2015. A motion to recommend support for the project was defeated by a vote of 8-4 with one abstention. The SCAC expressed concerns regarding water issues and the lack of appropriate access and egress through only one viable roadway.

AGENCY REVIEW:
The Final EIR includes extensive correspondence from review agencies. Correspondence includes comments on the Notice of Preparation and Draft EIR. Please see the Final EIR for these comments.

The Water Resources Advisory Committee, California Department of Transportation and others have made specific comments on the project separate from the EIR process. Please see attached.

LEGAL LOT STATUS:
The twenty-one lots were legally created through various mechanisms including Certificates of Compliance and Lot Line Adjustments.

ATTACHMENTS:

1. Exhibit A – Findings
2. Figures 1 through 9 (Graphics)
3. Comment letters received after publication of the FEIR
4. Final Environmental Impact Report (Clerk's File)
5. Sections from the 2003 Land Use Ordinance

Staff report prepared by Brian Pedrotti
and reviewed by Bill Robeson

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING

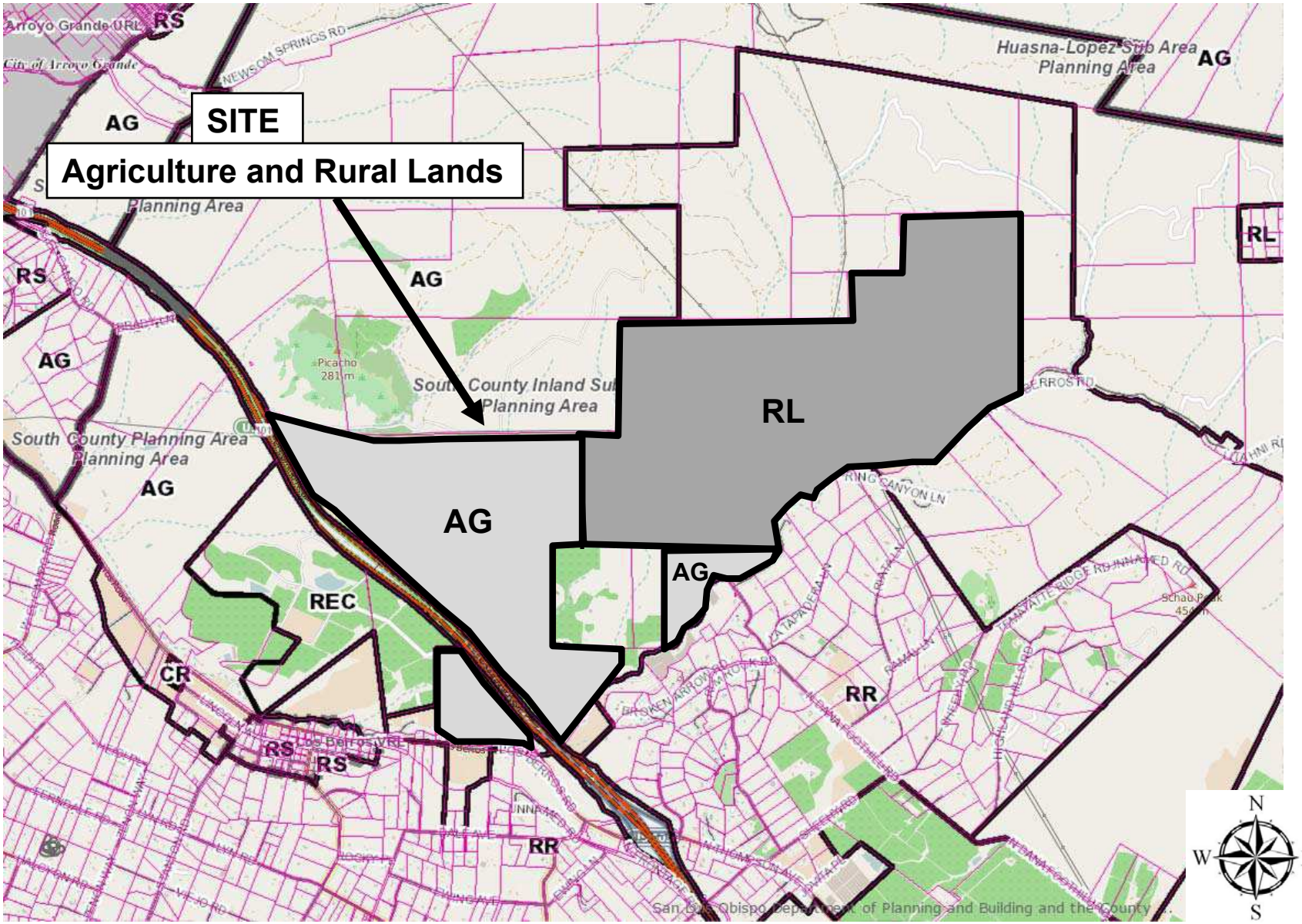
PROJECT

Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 1: Vicinity Map

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



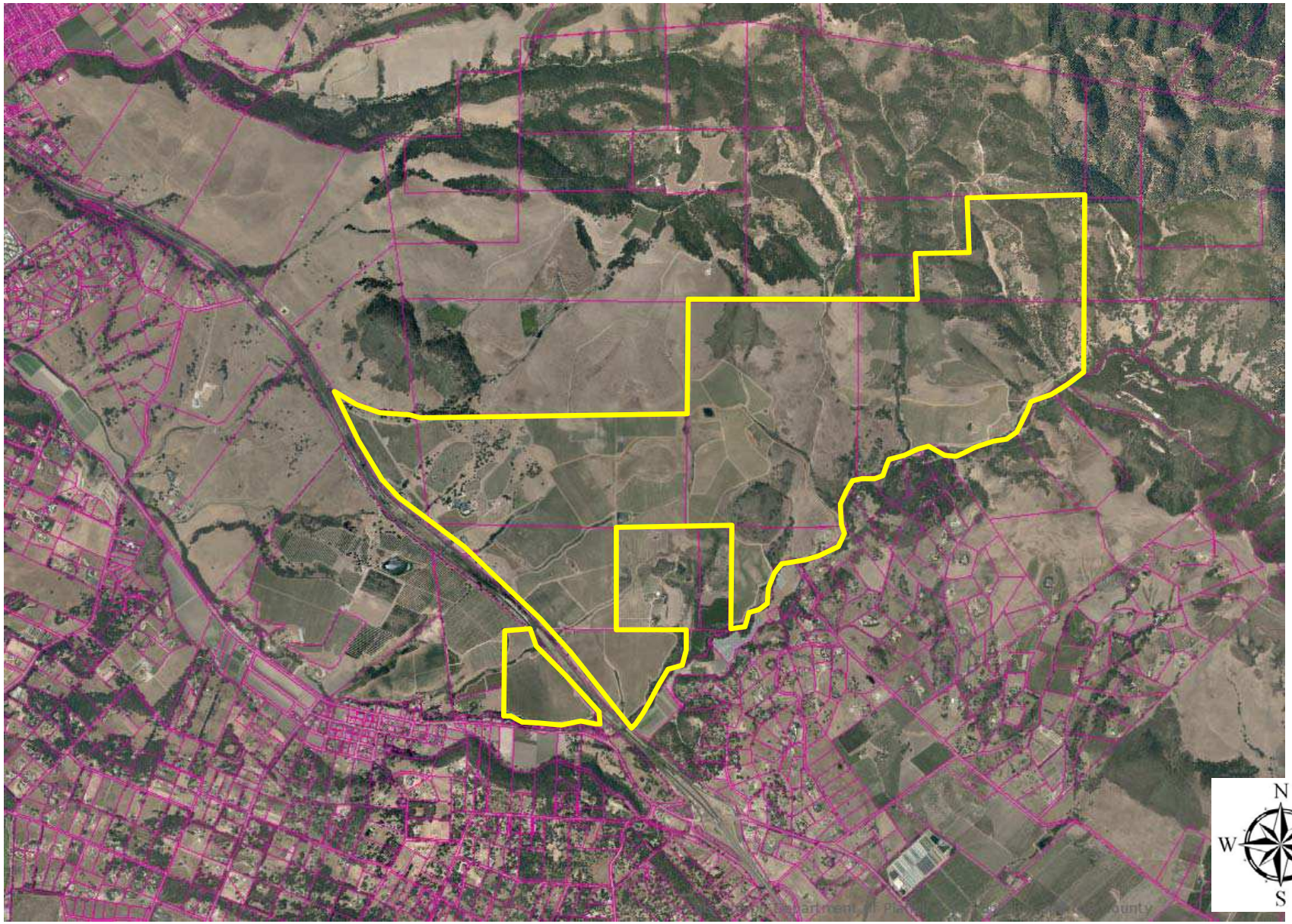
PROJECT

Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 2: Land Use Category Map

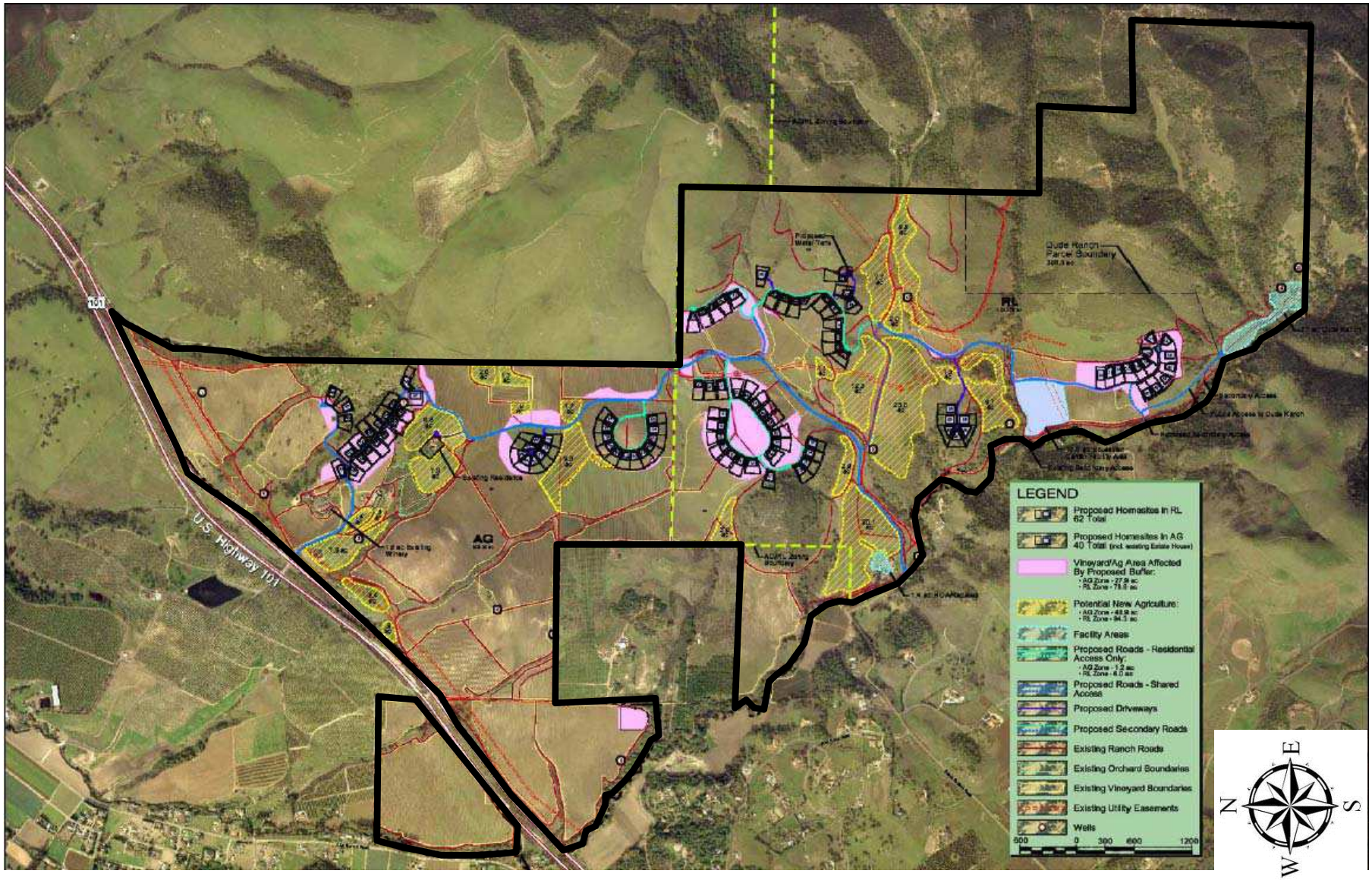
SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



PROJECT
Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT
Figure 3: Aerial

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



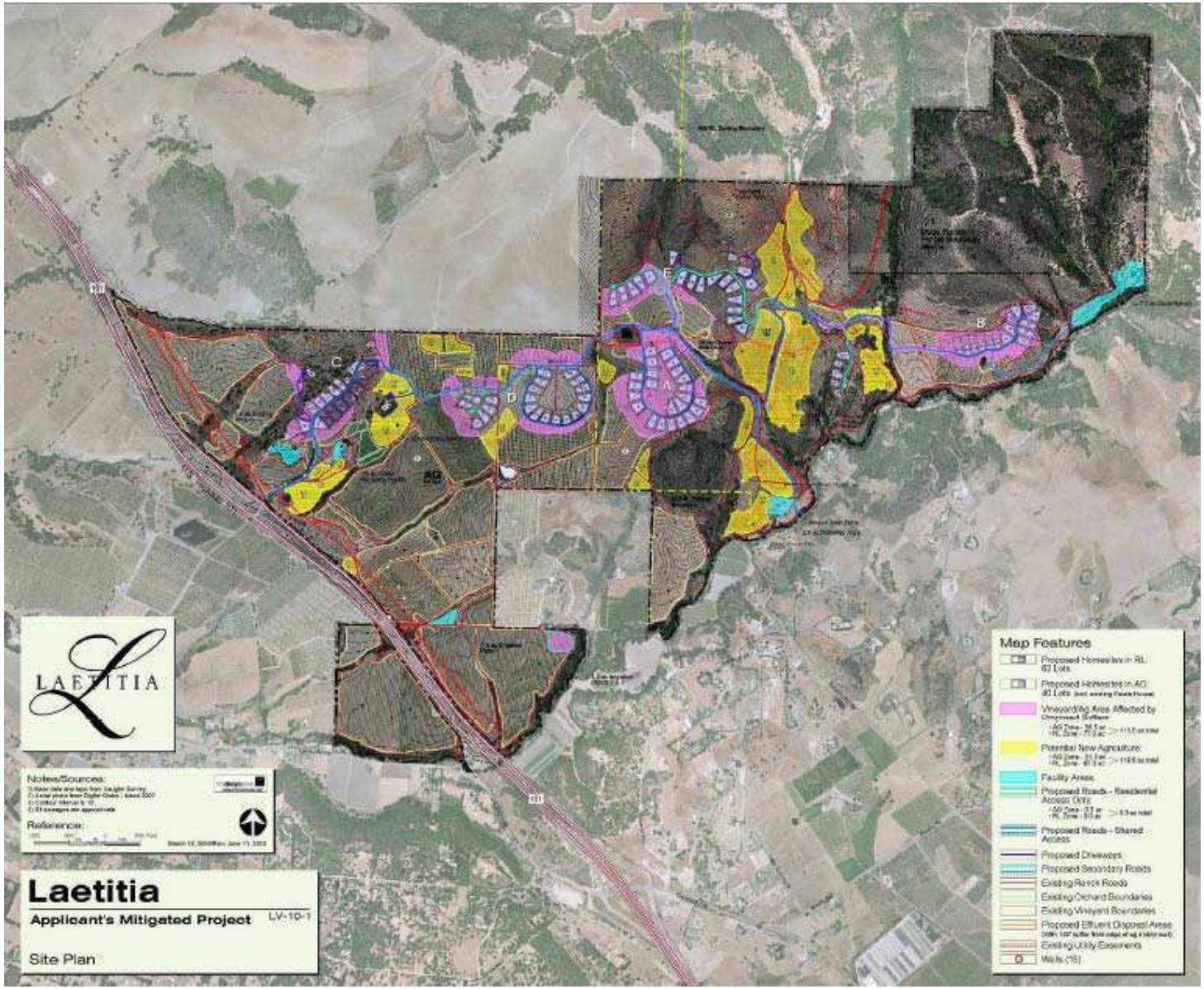
PROJECT

Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 4: Site Plan

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



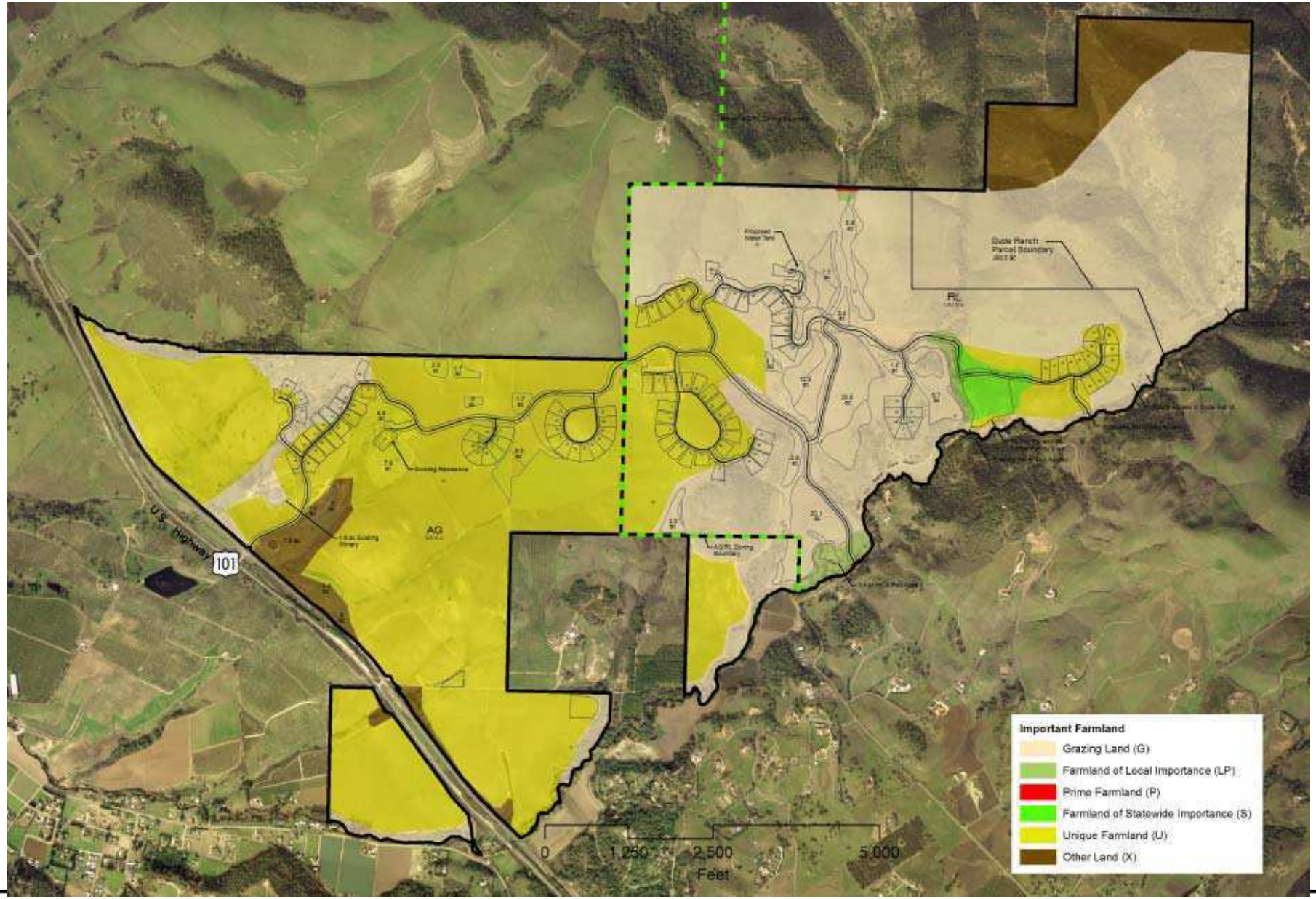
PROJECT

Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 5: Applicant Proposed Alternative 2

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



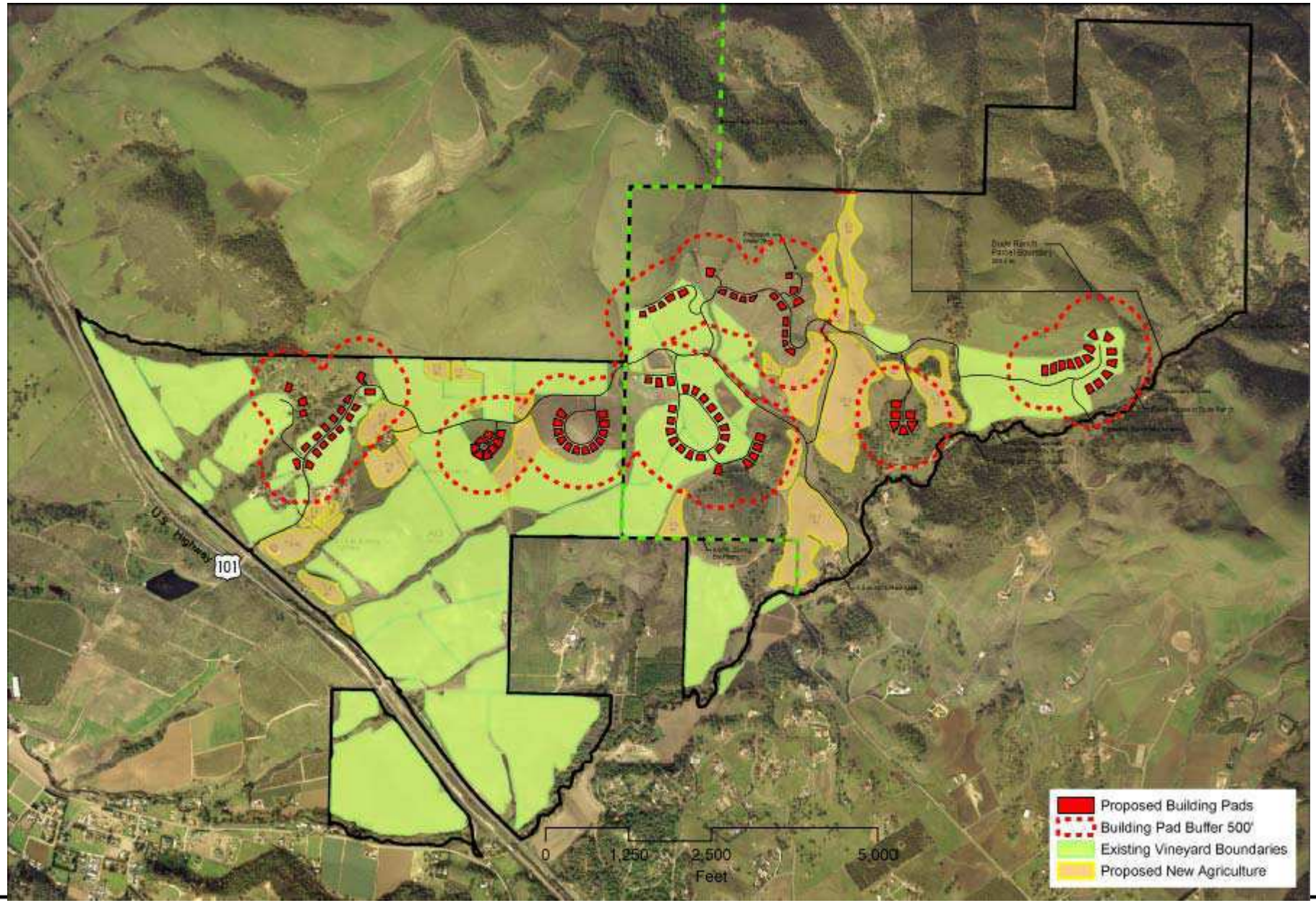
PROJECT

Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 6: Farmland Types

SAN LUIS OBISPO COUNTY DEPARTMENT OF BUILDING AND PLANNING



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Laetitia Ag Cluster CUP
SUB2003-00001 & DRC2003-00001

EXHIBIT

Figure 7: Existing Vineyard and Proposed New Ag

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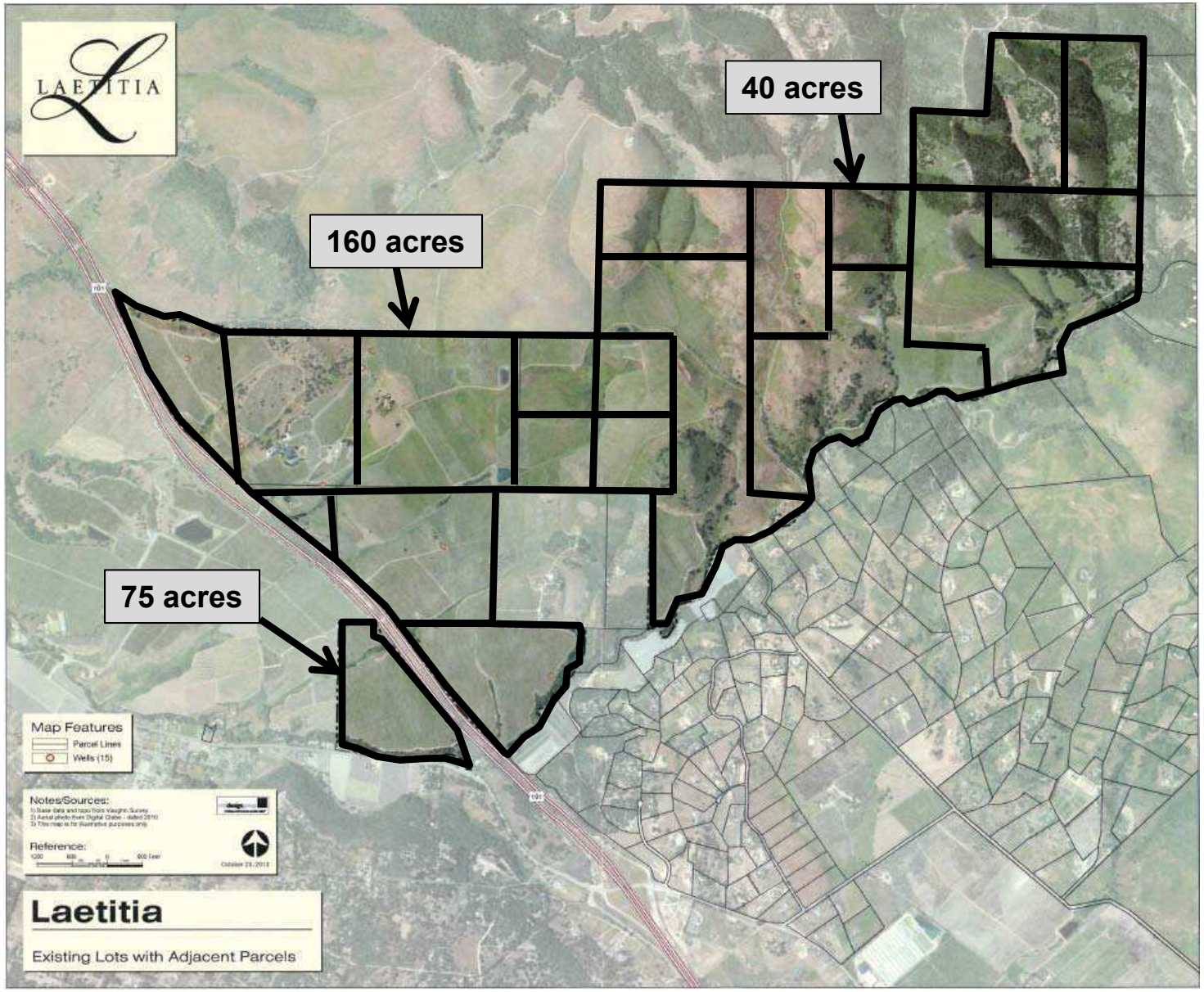

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Figure 8: Existing Parcels

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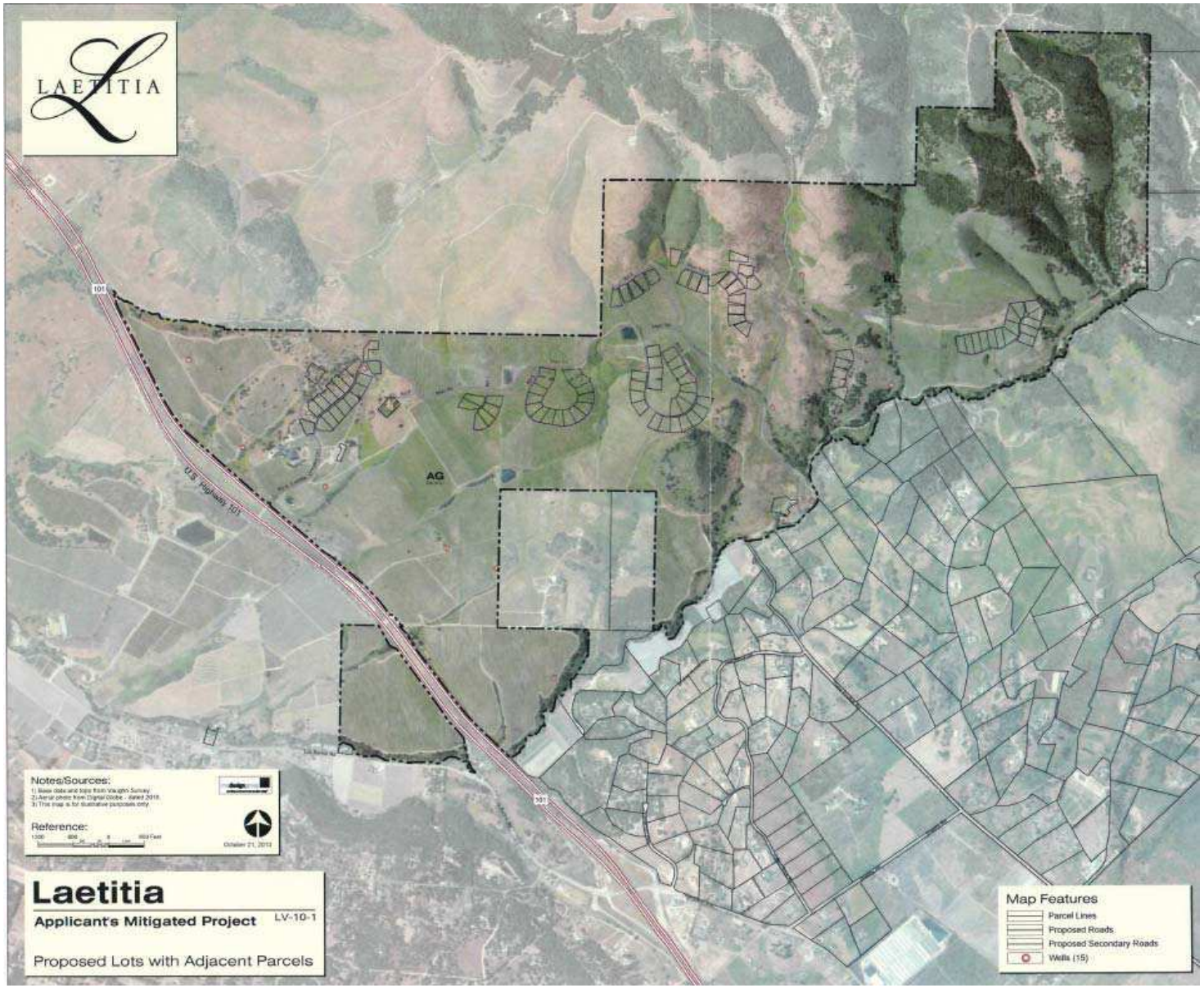

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Figure 9: Proposed Lots with Adjacent Parcels