

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

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 1/24/2012	(3) CONTACT/PHONE Chuck Stevenson, Division Manager, Long Range Planning/ 805-781-5197	
(4) SUBJECT Consideration of the Proposed Memorandum of Agreement for the Sphere of Influence update between the City of Paso Robles and the County of San Luis Obispo			
(5) RECOMMENDED ACTION Adopt the proposed "Memorandum of Agreement between the City of Paso Robles and the County of San Luis Obispo Regarding the Sphere of Influence" included as Attachment 1 with this report.			
(6) FUNDING SOURCE(S) Department Budget	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation (Time Est. 30 mins) <input type="checkbox"/> Hearing (Time Est. _____) <input checked="" type="checkbox"/> Board Business			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP  Attached	(16) BUSINESS IMPACT STATEMENT?  No	(17) AGENDA ITEM HISTORY  <input checked="" type="checkbox"/> N/A Date _____	
(18) ADMINISTRATIVE OFFICE REVIEW			
(19) SUPERVISOR DISTRICT(S) District 1 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Chuck Stevenson, Division Manager, Long Range Planning

DATE: 1/24/2012

SUBJECT: Consideration of the Proposed Memorandum of Agreement for the Sphere of Influence update between the City of Paso Robles and the County of San Luis Obispo

## **RECOMMENDATION**

Adopt the proposed "Memorandum of Agreement between the City of Paso Robles and the County of San Luis Obispo Regarding the Sphere of Influence" included as Attachment 1 with this report.

## **DISCUSSION**

### **Background**

The Local Agency Formation Commission (LAFCo) is updating the Sphere of Influence and the Municipal Service Review for the City of Paso Robles. The last Memorandum of Agreement (MOA) between the County and the City of Paso Robles was entered into in 2004. An MOA entered into with cities is a way for counties and cities, which have legislative authority to grant land use permits, change zoning and amend general plans, to work cooperatively toward mutually benefiting results when considering how the type, size and timing of growth at jurisdictional boundaries affects either entity. The MOA is a tool that can set forth certain procedural commitments as to how cooperation for future planning may occur. When considering updating a Sphere of Influence (SOI) and Municipal Service Review MSR, the LAFCo will review an approved agreement between the City and the County.

In accordance with the requirements of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act), a Sphere of Influence Update and Municipal Service Review for the City of Paso Robles were prepared by LAFCo staff. These documents are available on the Local Agency Formation's web site, [www.slolafo.com](http://www.slolafo.com). The purposes of the MSR and SOI Update are to analyze the City's capability to serve existing and future residents and to establish a SOI boundary for the community's probable growth and service area over the next 20 years. A SOI provides for the orderly and logical growth of a city and represents its 20-year growth boundary.

LAFCo is required, pursuant to State regulations, to update a jurisdiction's SOI every five years. LAFCo is the agency that has authority over changes to a SOI and annexation requests. State regulations also strongly encourage a city and county to reach agreement regarding the SOI boundaries and development policies and regulations for lands to be ultimately annexed into a city. A Memorandum of Agreement (MOA) between a city and county is given great weight by LAFCo when it considers changes to a SOI.

## **Draft Memorandum of Agreement**

Staff from the County of San Luis Obispo, City of Paso Robles, and LAFCo have had a series of meetings to revise the City-County Memorandum of Agreement (MOA). The draft MOA includes provisions that will guide development on lands presently outside the Paso Robles City Limits. The draft MOA was approved by the Paso Robles City Council on October 4, 2011. The provisions found in Exhibit A of the MOA (see Attachment 1) include coordinating development review between the City and the County, maintaining the existing SOI (see Attachment 2 and Exhibit B in Attachment 1) and consideration of adding Study Areas 1-4 and 6 to the SOI, as described and shown on the maps starting on page 5 of this report.

One study area is being excluded from the current LAFCo SOI study and the draft MOA: the 370-acre Quorum Realty Company property which is referenced as Study Area 5. The City of Paso Robles will consider potential annexation of the Quorum property in a future combined SOI and annexation process. Currently, a land development proposal, General Plan amendment and an Environmental Impact Report (EIR) are being prepared for this property by property owners and the City of Paso Robles. The proposed project includes several hotels, a conference center and a rural residential subdivision.

The draft MOA provisions address preserving agricultural land and open space resources, utilizing compact urban development near existing infrastructure, and implementing policies and strategies found in the County's Framework for Planning and Conservation and Open Space Element. The provisions also address maintaining a rural character with community separation, avoiding low-density development at the edges of the community while acknowledging the City's "Town and Country" gateway standards, and incorporating the City's Purple Belt Program. The intent of the Purple Belt program is to preserve and protect agricultural lands by:

- Identifying properties that are in Agriculture and/or Open Space use that are potential candidates for long-term preservation;
- Reaching voluntary agreements with property owners to acquire "non-development" or conservation easements that would lead to the preservation of the current uses
- Enhancing the economic viability of agriculturally-related uses through the City's acquisition of non-development easements.

The Draft MOA's provisions also address development impact mitigation, identification and evaluation of adequate and reliable water supplies, and timing for the development of land use policies and regulations in advance of requests for annexation. It also includes a section that provides guidance with regard to Study Areas 3 and 4, and a stipulation that the Quorum properties are not being including in the SOI at this time.

The Draft MOA includes a special referral area for proposed projects in surrounding unincorporated areas. The special referral area is shown in Exhibit C, Project Referral Map. Development proposals that are subject to review by the County on these lands have, and will continue to be, referred to the City for review. Similarly, projects in the City that may have an effect on adjacent or nearby land in the County area will be referred to the County for its review. This is important because it will allow each agency an opportunity to evaluate possible impacts to resources, infrastructure and public services.

### **LAFCo Staff role**

LAFCo staff has prepared the Memorandum of Agreement, the Public Review Draft Municipal Service Review, and a Mitigated Negative Declaration. These documents are posted on the LAFCo website.

### **City review of the MOA and SOI**

The City of Paso Robles considered and approved the amended MOA and SOI on October 4, 2011 (Attachment 1). The City wishes to add Study Areas 1-4 and 6 around the City into the SOI. Environmental review of these areas can be completed with a Negative Declaration. The Study areas are described and mapped starting on page 5 of this report.

## County review of the MOA

The proposed MOA is being presented to your Board for consideration and is included with this report as Attachment 1. The MOA provides that the standards and requirements are not intended to supersede or limit the existing review authority or environmental review process of either jurisdiction. The provisions of the MOA do not bind either the City or the County. Rather, the approach of the MOA and its standards and requirements is to ensure close coordination and cooperation between the City of Paso Robles and County on the future planning and development of the areas within the SOI boundary. The results of the approved MOA, the SOI and MSR update that may be adopted by LAFCo can subsequently be incorporated into the preparation of a future update of the County General Plan for this area.

### Applicable county policies

Except for Study Area 6, the properties proposed to be included in the SOI are located outside of the County's current Urban Reserve Line (URL) for the City of Paso Robles. Framework for Planning, Part I of the LUE, provides that the URL should be analogous to the LAFCo sphere of influence because it indicates the area for urban and suburban growth within a 20-year time frame. For areas where urban development versus preserved agricultural lands is anticipated this inconsistency could be resolved in a future General Plan amendment by the County. Inclusion of the Study Areas into the SOI could be found consistent with County General Plan policies if future annexations in this area are developed in a manner consistent with the provisions contained in the MOA.

### *Strategic Growth Principles*

The County General Plan, Framework for Planning, Chapter 1, contains Strategic Growth policies that encourage growth in an efficient and environmentally sensitive manner that provides people with additional travel, housing and employment choices. These policies are intended to focus most future growth closer to existing and planned job centers and public facilities where sustainable resources are available. The following characteristics are taken from Framework for Planning and have been incorporated into the MOA as much as possible.

"Strategically planned communities are urban or village areas with the following characteristics:

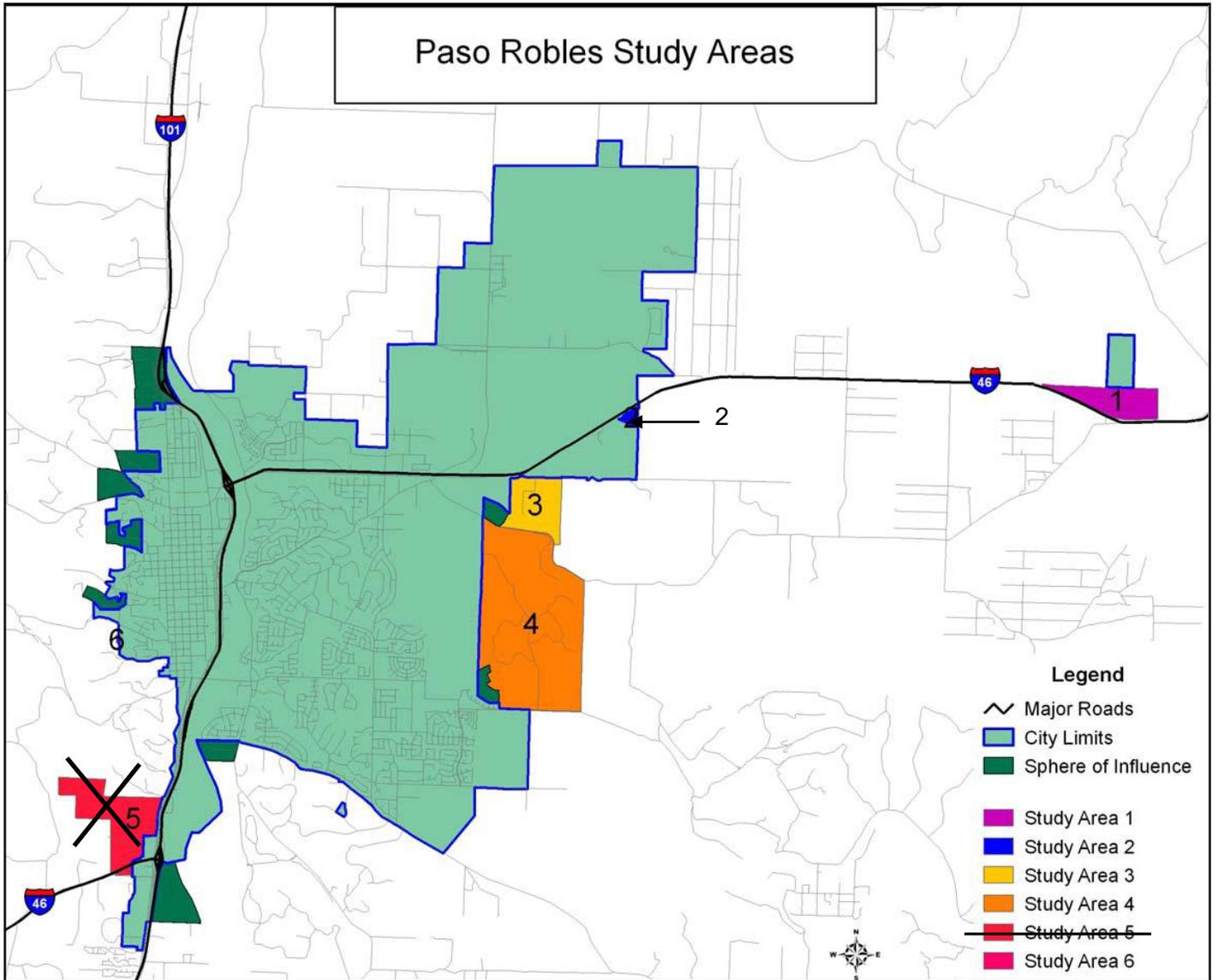
- Adequate resources, services and facilities for long-term growth (20 years),
- Inter-connected street systems, bicycle and pedestrian ways,
- Neighborhood areas that can accommodate a variety of housing types that are affordable to all income groups, which are located close to focal points serving daily needs,
- Adequate areas for commerce, employment, education, recreation, civic and social life."

### *Applicable Strategic Growth Principles:*

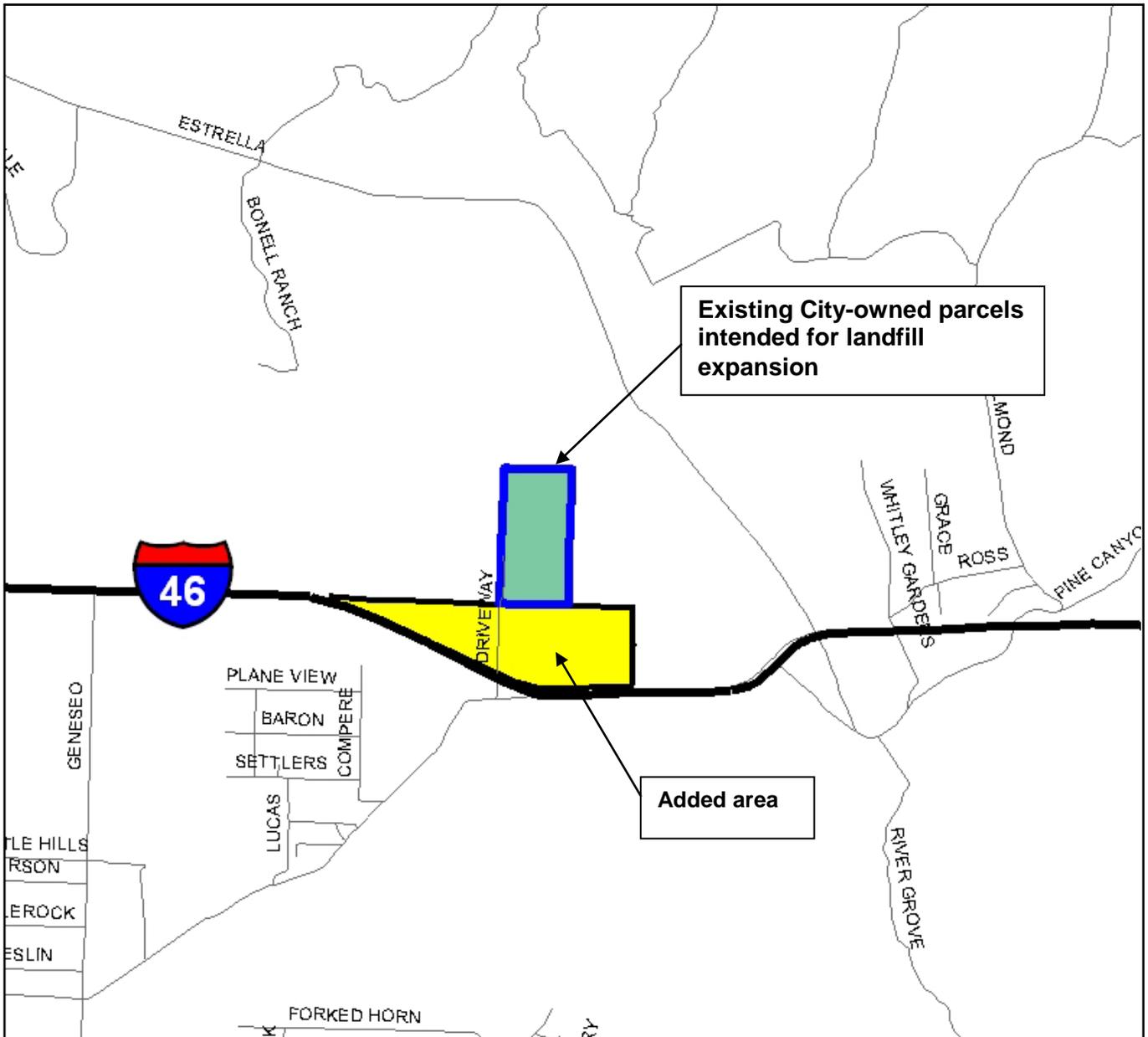
1. Preserve open space, scenic natural beauty and sensitive environmental areas
2. Conserve energy resources. Conserve agricultural resources and protect agricultural land.
3. Strengthen and direct development towards existing and strategically planned communities.
4. Foster distinctive, attractive communities with a strong sense of place.
5. Create walkable neighborhoods and towns.
6. Provide a variety of transportation choices.
7. Create a range of housing opportunities and choices

The following section summarizes proposed changes to the SOI. However, as noted above, Study Area 5 is not being included in the SOI at this time.

# Map of Study Areas

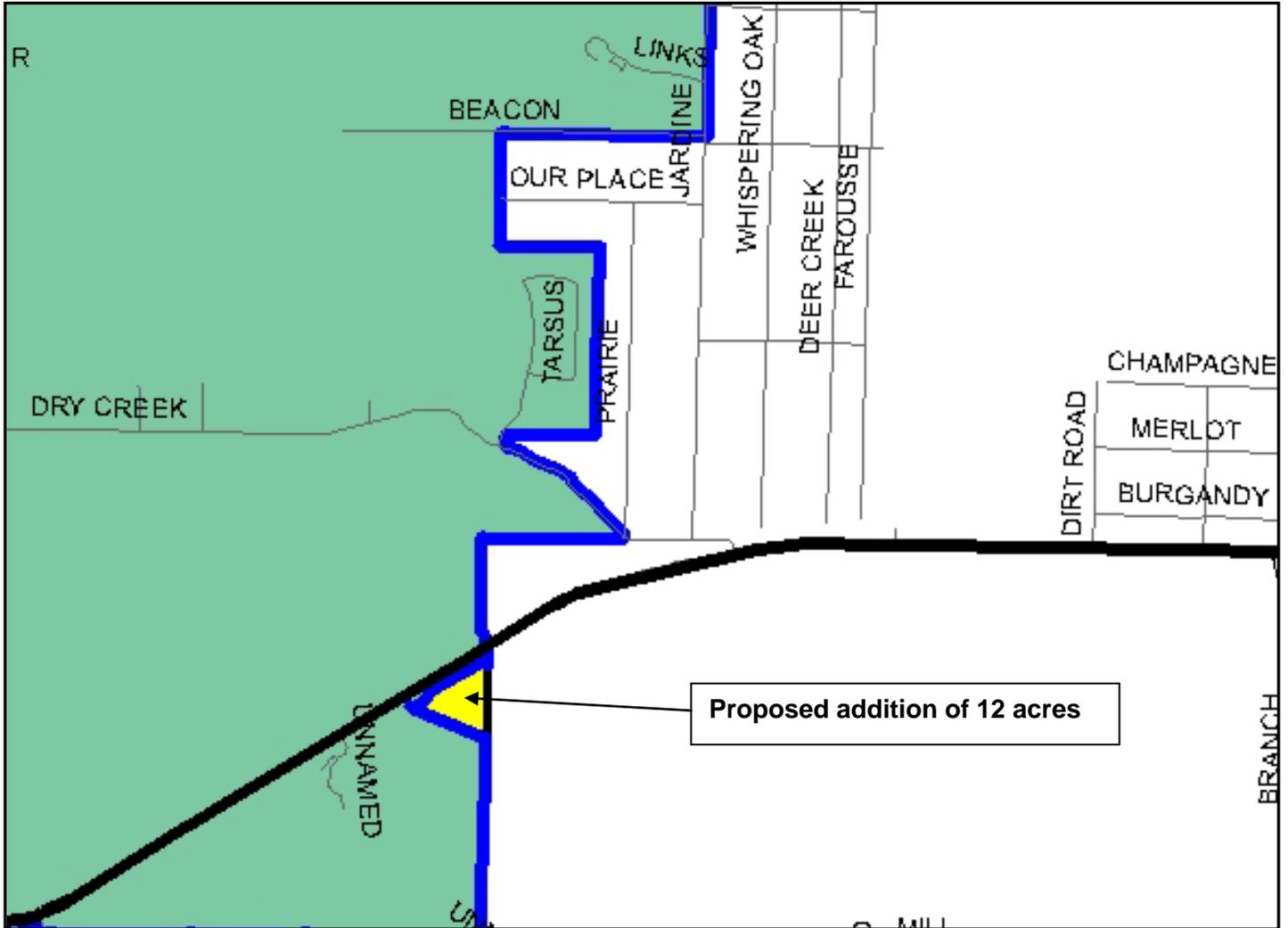


# Study Area 1



**Study Area 1** - The City owns the subject property and is in the process of developing plans to expand the landfill and provide other public infrastructure and services to city residents. A Specific Plan and General Plan Amendment would need to be considered and approved by the City. This area would provide a logical extension of the City's landfill boundary.

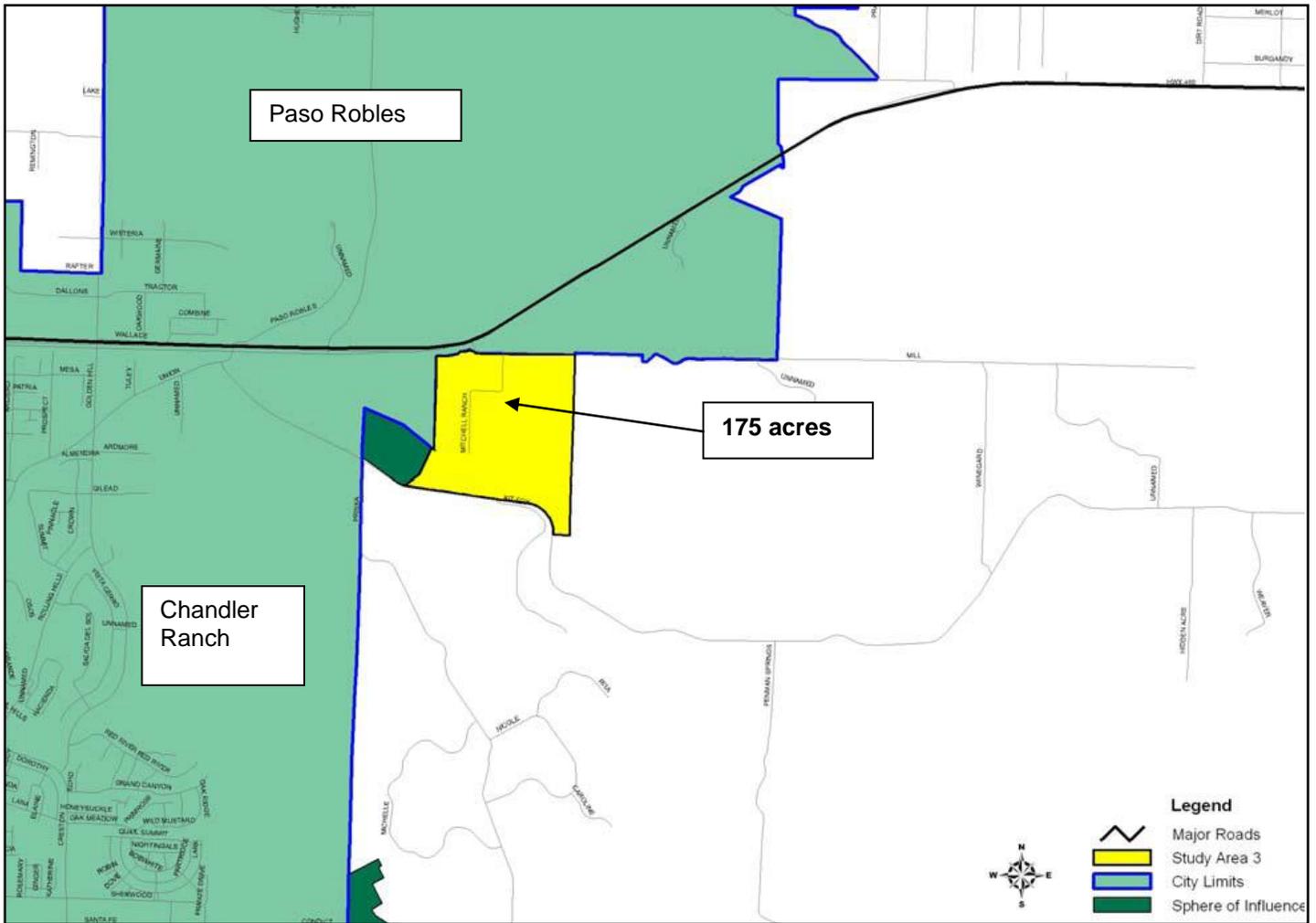
## Study Area 2



**Study Area 2 – The “Golden Oak Area”** covers a 12-acre area that is planted in a vineyard. The site is adjacent to the City’s eastern boundary, north of Hunter Ranch Golf Course. The site is characterized as prime farmland and is designated Agriculture in the County Land Use Element. Agricultural lands to the east are under Williamson Act Contracts. County staff was initially concerned that extending the SOI may encourage speculation for non-agricultural use. However, the City has indicated that no land use change is planned on this site, and its present use is consistent with the Purple Belt Program. As stated in the City’s General Plan, the intent of the Purple Belt Program is to:

- identify properties that are in Agriculture and/or Open Space use that are potential candidates for long-term preservation;
- reach voluntary agreements with property owners to acquire “non-development” or conservation easements that would lead to the preservation of the current uses
- hopefully enhance the economic viability of agriculturally-related uses through the City’s acquisition of non-development easements.

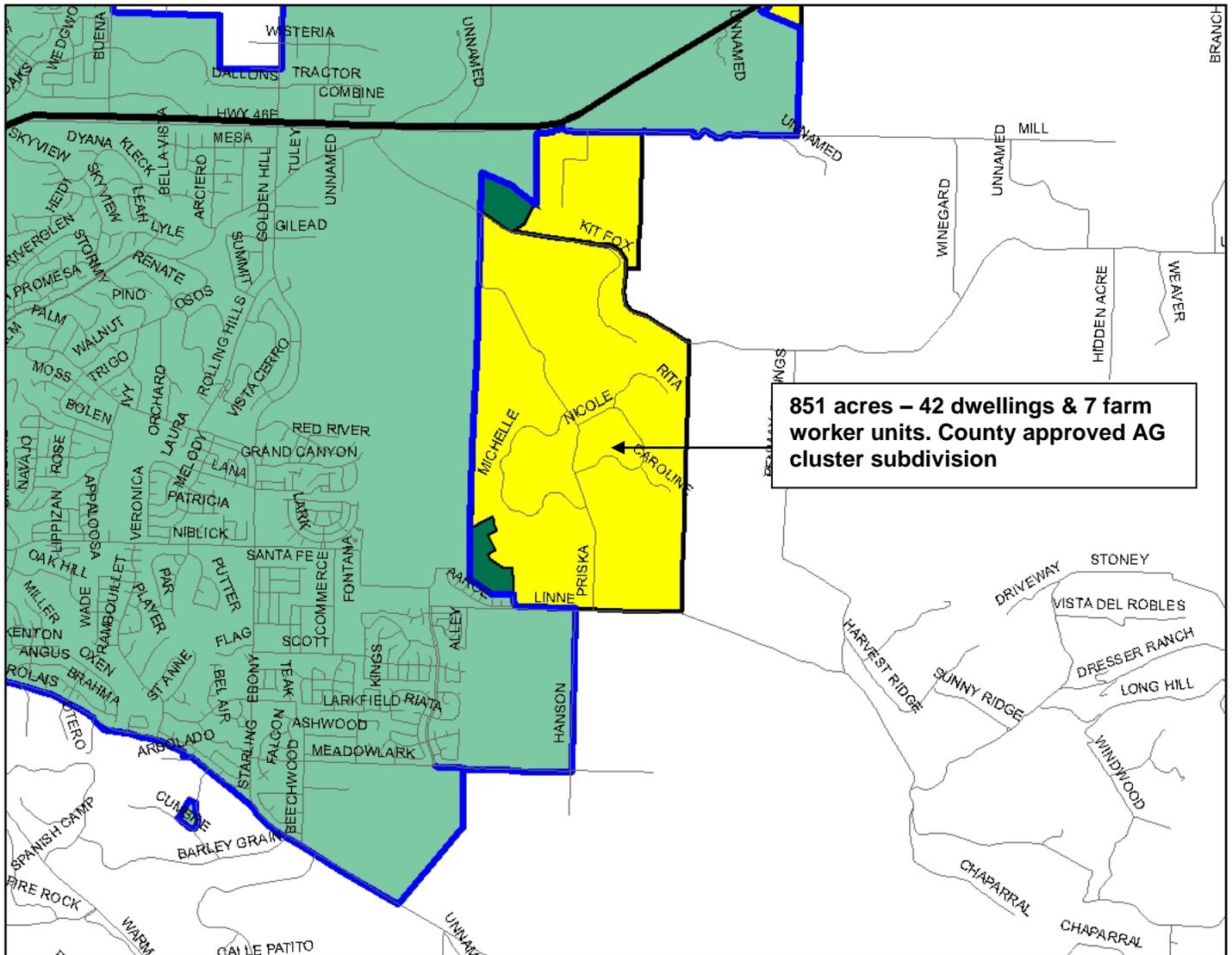
# Study Area 3



**Study Area 3 – Mill Road area** - The Mill Road area contains approximately 175 acres and is adjacent to the Paso Robles eastern boundary, just south of Hunter Ranch. The site is designated Agriculture in the County’s Land Use Element. This area is presently developed with Robert Hall Winery, a vineyard and several homes on larger parcels. This type of development at the outer edges of the City boundary is consistent with Paso Robles’ Purple Belt Program in that it acts as a transition area to the more rural area.

The City anticipates a possible secondary access road from Union Road to Highway 46E along the easterly edge of this property. Funding for design, construction and maintenance of such a road facility would be arranged through a future annexation related process. The area between the potential road would be maintained in agricultural and rural residential use consistent with the Purple Belt Program. Under these circumstances, inclusion of this area in the SOI provides a logical extension of the City’s boundaries. The City’s Land Use and Open Space policies and standards would manage potential future development for this area.

## Study Area 4



**Study Area 4 – Vina Robles area.** Referred to as the Laetitia Ag Cluster subdivision, the site contains 851 acres and is adjacent to Paso Robles' eastern boundary. The site is designated Agriculture in the County Land Use Element. The Ag Cluster subdivision was approved in 2005 and allows 42 single family residences and 7 farm worker housing units, preserving 95% of the site for agriculture/open space use. The City's Purple Belt Program calls for this type of pattern on the outer edges of the City boundary that would act as a transition area to the more rural area. The City does not intend to intensify development of the property. However, due to poor water quality on this site, an outside-user agreement is being contemplated that would allow the owner to purchase City water for potable interior residential use only. In addition, when recycled water from the City's wastewater treatment plant becomes available in the future, it could be used for the site's outdoor water needs. Also, use of City of Paso Robles' municipal water supply could have the added benefit of reduced groundwater pumping from the Paso Robles Groundwater Basin, which is at or approaching its perennial yield.





## **BUSINESS IMPACT STATEMENT**

Not applicable.

## **FINANCIAL CONSIDERATIONS**

Staff participation in the proposed SOI update and the Memorandum of Agreement is covered by the Department's current budget.

## **RESULTS**

Adoption of the Memorandum of Agreement will formalize the intent of the County of San Luis Obispo and City of Paso Robles for a cooperative and coordinated approach to the future planning and development of the area proposed to be included within the updated Sphere of Influence. Adoption of the MOA also ensures that the Local Agency Formation Commission will consider the intentions of the City of Paso Robles and the County when reviewing the SOI Update. This advances the countywide goals of a Livable and Well-Governed Community.

## **ATTACHMENTS**

1. Attachment 1: Memorandum of Agreement  
Attachment 1A: "Memorandum of Agreement between the City of Paso Robles and the County of San Luis Obispo Regarding the Sphere of Influence"
2. Attachment 2: Existing Sphere of Influence Map 2004
3. Attachment 3: County Land Use Category Map