



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

<b>(1) DEPARTMENT</b> Planning and Building	<b>(2) MEETING DATE</b> 12/15/2020	<b>(3) CONTACT/PHONE</b> Kerry Brown, Senior Planner (805) 781-5713	
<b>(4) SUBJECT</b> Request to consider: 1) adoption of a resolution for the Los Osos Community Plan and the Los Osos Habitat Conservation Plan: approving an amendment to the Estero Area Plan – Los Osos Urban Area (Los Osos Community Plan); certifying the Final Environmental Impact Report for the Los Osos Community Plan pursuant to CEQA based on the CEQA findings contained in this report; approving a Memorandum of Understanding with the California Department of Fish and Wildlife to allow mitigation activities; approving the form of the Los Osos Habitat Conservation Plan (LOHCP) and the Interim Adaptive Management and Monitoring Plan (IAMMP) and delegating authority to the Planning Director to execute final documents and accept amendments required by, and final terms and conditions of, the U.S. Fish and Wildlife Service; and certifying the Final Environmental Impact Report for the LOHCP; 2) tentatively adopting an ordinance amending provisions of the Growth Management Ordinance, Title 26 of the County Code, related to Los Osos, pending final adoption until the California Coastal Commission certifies the Los Osos Community Plan; and 3) approving and accepting the revised 2016-2018 Resource Summary Report. District 2.			
<b>(5) RECOMMENDED ACTION</b> It is recommended that the Board: <ol style="list-style-type: none"> <li>1. Adopt the resolution:             <ol style="list-style-type: none"> <li>a) Approving an amendment to the Estero Area Plan – Los Osos Urban Area (Los Osos Community Plan);</li> <li>b) Certifying the Final Environmental Impact Report (FEIR) for the Los Osos Community Plan pursuant to the applicable sections of the California Environmental Quality Act (CEQA) based on the CEQA findings contained in this report as Attachment 6;</li> <li>c) Approving a Memorandum of Understanding with the California Department of Fish and Wildlife to allow mitigation activities at the Morro Dunes Ecological Reserve as part of the Los Osos Community-wide Habitat Conservation Plan in Attachment 12;</li> <li>d) Approving the form of the LOHCP and the Interim Adaptive Management and Monitoring Plan (IAMMP) and delegating authority to the Planning Director to execute final documents and accept amendments required by, and final terms and conditions of, the U.S. Fish and Wildlife Service which substantially conform with the LOHCP and IAMMP in Attachments 11 and 12 and subject to approval by County Counsel; and</li> <li>e) Certifying the Final Environmental Impact Report for the LOHCP (LOHCP FEIR) pursuant to the applicable sections of CEQA based on the findings contained in this report as Attachment 14.</li> </ol> </li> <li>2. Tentatively adopt amendments to the Growth Management Ordinance, Title 26 of the County Code, in Attachment 19.</li> <li>3. Receive and file the revised 2016-2018 Resource Summary Report in Attachment 21.</li> </ol>			
<b>(6) FUNDING SOURCE(S)</b> Planning Department Budget	<b>(7) CURRENT YEAR FINANCIAL IMPACT</b> \$0.00	<b>(8) ANNUAL FINANCIAL IMPACT</b> \$0.00	<b>(9) BUDGETED?</b> Yes
<b>(10) AGENDA PLACEMENT</b> <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>120 minutes</u> ) <input type="checkbox"/> Board Business (Time Est. _____)			
<b>(11) EXECUTED DOCUMENTS</b> <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
<b>(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)</b> N/A		<b>(13) BUDGET ADJUSTMENT REQUIRED?</b> BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	

(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <u>12/11/12 LOCP Authorization; 3/12/19</u> Authorization to revise District 2 RSR
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe		
(18) SUPERVISOR DISTRICT(S) District 2		



## COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors  
FROM: Kerry Brown, Senior Planner  
VIA: Airlin Singewald, Planning Manager  
DATE: December 15, 2020

SUBJECT: Request to consider: 1) adoption of a resolution for the Los Osos Community Plan and the Los Osos Habitat Conservation Plan: approving an amendment to the Estero Area Plan – Los Osos Urban Area (Los Osos Community Plan); certifying of the Final Environmental Impact Report for the Los Osos Community Plan pursuant to CEQA based on the CEQA findings contained in this report; approving a Memorandum of Understanding with the California Department of Fish and Wildlife to allow mitigation activities; approving the form of the Los Osos Habitat Conservation Plan (LOHCP) and the Interim Adaptive Management and Monitoring Plan (IAMMP) and delegate authority to the Planning Director to execute final documents and accept amendments required by, and final terms and conditions of, the U.S. Fish and Wildlife Service; and certifying of the Final Environmental Impact Report for the LOHCP; 2) tentatively adopting an ordinance amending provisions of the Growth Management Ordinance, Title 26 of the County Code, related to Los Osos, pending final adoption until the California Coastal Commission certifies the Los Osos Community Plan; and 3) approving and accepting the revised 2016-2018 Resource Summary Report. District 2.

### **RECOMMENDATION**

It is recommended that the Board:

1. Adopt the resolution:
  - a) Approving an amendment to the Estero Area Plan – Los Osos Urban Area (Los Osos Community Plan);
  - b) Certifying the Final Environmental Impact Report (FEIR) for the Los Osos Community Plan pursuant to the applicable sections of the California Environmental Quality Act (CEQA) based on the CEQA findings contained in this report as Attachment 6;
  - c) Approving a Memorandum of Understanding with the California Department of Fish and Wildlife to allow mitigation activities at the Morro Dunes Ecological Reserve as part of the Los Osos Community-wide Habitat Conservation Plan in Attachment 12;
  - d) Approving the form of the LOHCP and the Interim Adaptive Management and Monitoring Plan (IAMMP) and delegating authority to the Planning Director to execute final documents and accept amendments required by, and final terms and conditions of, the U.S. Fish and

Wildlife Service which substantially conform with the LOHCP and IAMMP in Attachments 11 and 12 and subject to approval by County Counsel; and

- e) Certifying the Final Environmental Impact Report for the LOHCP (LOHCP FEIR) pursuant to the applicable sections of CEQA based on the findings contained in this report as Attachment 14.
2. Tentatively adopt amendments to the Growth Management Ordinance, Title 26 of the County Code, in Attachment 19.
3. Receive and file the revised 2016-2018 Resource Summary Report in Attachment 21.

## **DISCUSSION**

### **Overview**

This report presents for Board of Supervisors (“Board”) consideration the Los Osos Community Plan Update and related plans, ordinances, and documents necessary to allow for new development in Los Osos consistent with resource constraints. This includes:

1. The Los Osos Community Plan Update, which consists of amendments to the sections of the Estero Area Plan (part of the Coastal Zone Land Use Element) relating to the community of Los Osos.
2. Los Osos Habitat Conservation Plan and a memorandum of Understanding (MOU) with the California Department of Fish and Wildlife to implement the Interim Adaptive Management and Monitoring Plan at the Morro Dunes Ecological.
3. An amendment to the Growth Management Ordinance, Title 26 of the County Code, to allow for new development in Los Osos consistent with resource availability.
4. An update to the 2016-2018 Resource Summary Report to include resource availability data and analysis regarding Los Osos and other District 2 communities.

These proposed plans, ordinance, and documents address Special Condition #6 and County condition #92 of the Los Osos Wastewater Project Coastal Development Permit, which states that vacant parcels shall not connect to the sewer until the County updates the Los Osos Community Plan to incorporate a sustainable buildout target supported by the safe field of the groundwater basin, and prior to development of undeveloped lots, the County shall prepare and implement a Habitat Conservation Plan for long-term preservation of environmentally sensitive habitat areas and species throughout the community.

### **Background**

The Board of Supervisors authorized the Los Osos Community Plan Update in December 2012. The Los Osos Community Plan is part of the Estero Area Plan, which was originally certified by the Coastal Commission in 1988 and updated in 2004.

Due to the outstanding issues in Los Osos in the mid-2000s (lack of an approved communitywide Habitat Conservation Plan (“HCP”) to address the presence of environmentally sensitive habitat and species, inadequate groundwater supplies, and uncertainty about a community-wide sewer system) the County modified the submittal to the Coastal Commission to remove the Los Osos urban area from the 2004 Estero Plan update.

Staff is bringing forward the Los Osos Community Plan Update since the Los Osos Wastewater Project is complete, the 2015 Los Osos Groundwater Basin Plan ("Basin Plan") is complete and being implemented by water purveyors, and the HCP is ready for Board consideration at today's meeting.

## **1. Los Osos Community Plan Update**

The Los Osos Community Plan allows new development and establishes a vision and framework for the future orderly development of Los Osos that is in line with available resources and protects the unique and sensitive habitats within the community. The Community Plan and related amendments will put in place the goals, policies, programs, standards, and zoning needed to guide future land use, transportation, and development for sustainable growth in the community over the next 20 years.

The Public Hearing Draft and Final Environmental Impact Report were released on June 8<sup>th</sup>. The Planning Commission Recommended Plan was released on November 6, 2020. The Planning Commission Recommended Plan and previous versions of the Plan can be found on the Department's web site:

<https://www.slocounty.ca.gov/LosOsosPlan.aspx>

### Public Participation

As described in the attached Planning Commission staff report, the Los Osos Community Plan was prepared with public input, which included a community kick-off meeting, two Environmental Impact Report meetings, and individual meetings to discuss land use and environmental resources, planning area standards, and circulation and coastal access issues. Staff also made regular presentations on the Community Plan to the Los Osos Community Advisory Council.

### Community Vision

The community of Los Osos has developed a vision for its future. It is expressed in a "Vision Statement for Los Osos" that was approved by the Los Osos Community Advisory Council (LOCAC). The vision statement, which was developed with substantial public input and is included in Appendix A of the plan, describes a community where urban development is contained within the existing Urban Reserve Line (URL). Development occurs at a controlled rate and is sustained by resources and services. The URL is clearly defined by a greenbelt, including productive agricultural lands and open space that are managed to protect the Morro Bay estuary, including scenic and natural resources.

### Environmental Sensitive Habitat Areas

The Los Osos Community Plan encourages infill development within the Urban Services Line (USL) and preservation of areas outside of the USL, which support sensitive habitat areas, through implementation of the LOHCP. Project applicants would pay a fee based on their area of disturbance and impact. The mitigation fees are used to protect, restore, enhance, and monitor habitat (outside of the USL) for the listed species in perpetuity.

Since the LOHCP provides a framework to mitigate for impacts to Environmental Sensitive Habitat Areas (ESHA), the Planning Commission recommended that ESHA not be mapped within the USL. Although, the Commission recognized that sensitive habitat areas may exist in the USL, development proponents on such sites would be able to participate in the LOHCP to mitigate for impacts to biological resources. Please see Attachment 8 for additional information regarding ESHA and the findings to allow development within the USL as recommended by the Commission.

### Land Use Category Changes

The community plan includes 27 proposed changes to land use categories. A list of these changes is included in Attachment 9. Many proposed changes are either minor or are corrections or “housekeeping” changes to the Official Maps. Several of those “housekeeping” items change the land use categories to Open Space, Public Facilities or Recreation to reflect acquisition of properties by public agencies for conservation or other public purposes. Other key changes include:

1. Approximately 8.5 acres located on the east side of Fairchild Way and on the north side of Santa Ynez Avenue east of 12<sup>th</sup> Street, the land use category is proposed to change from Office and Professional to Residential Multi-Family
2. The Morro Shores Mixed-Use Area in the middle of town (located north of Los Osos Valley Road, south of Ramona Avenue, and east of Broderson Avenue), is proposed to change from Residential Single Family and Residential Multi-Family to Residential Multi-Family, Residential Single Family, and Commercial Service (with all categories applied to the entire site) on about 56 acres. Accompanying planning area standards are established in the draft plan, see standard 7.5j on pages 7.61 through 7-65.

### Additional Mapping Changes

In addition to the land use category changes, the Plan includes additional changes to the official maps, including the following:

1. Updates to the Sensitive Resource Area maps to designate identified areas outside of the Los Osos USL as ESHA. Areas within the USL are intended for infill development and, as such, are not designated ESHA.
2. Updates to the Archaeologically Sensitive Areas map to reflect extensive archaeological work done as part of the Los Osos Sewer /Water Recycling Facility.
3. A vulnerability assessment was completed for the community and analyzed land use acreages exposed to coastal flooding and tidal inundation.
4. The plan includes new sea level and inundation standards for new development which require an evaluation of projected sea level rise and impacts on a site for areas located within the Sea Level Rise and Inundation Zone FH overlay, based on the best available science, for the life of the project.
5. Updates to the Circulation Map to delete the formerly planned extension of South Bay Boulevard across the hillsides of Los Osos to connect Pecho Valley. Instead, the existing right-of-way is to be preserved for potential trail use.

### Public Facilities Financing Plan

A Public Facilities Financing Plan (PFFP) is included in the plan in Chapter 8. The PFFP provides a menu of options to fund needed infrastructure and public facilities for the community. Investments in utilities, transportation infrastructure, streetscapes, parks and public facilities have been shown to induce private investment, development, increase economic activity, and contribute to the quality of life. More than \$69.6 million of capital improvement projects are identified for the community of Los Osos, which are distributed across utility infrastructure, circulation and public facilities.

### Buildout

Buildout within the community would result in a potential population of 18,000, which is based on a potential capacity of 8,182 dwelling units. This is a 30% increase over the existing population and number

of households currently in the planning area. The current buildout for Los Osos is 28,688. New residential development under the LOCP would be more heavily multi-family oriented than the current mix of development, which is now about 85% single-family residential. New development potential would be about 75% single-family, resulting in an overall mix of 79% single-family communitywide at buildout.

**Table 1: Residential and Population Buildout Summary**

	<b>Existing</b>	<b>Buildout Capacity</b>	<b>Potential Increase</b>
<b>Dwelling Units</b>			
<i>Single-Family</i>	<i>5,426</i>	<i>6,487</i>	<i>1,061</i>
<i>Multi-Family</i>	<i>895</i>	<i>1,695</i>	<i>800</i>
<b>Total Dwelling Units</b>	<b>6,321</b>	<b>8,182</b>	<b>1,861</b>
<b>Population</b>	<b>13,906</b>	<b>18,000</b>	<b>4,094</b>

**Planning Commission Recommendation**

The Planning Commission held hearings for the Draft Los Osos Community Plan on July 9, 2020, August 13, 2020, and October 8, 2020, and voted 4-0 to recommend approval of the Los Osos Community Plan with the following changes:

1. ESHA map revisions;
2. Incorporation of a program for a Pedestrian Plan and Active Transportation Plan;
3. Incorporate edits in the text and maps by community members;
4. Exempting ADUs, affordable housing, and second story conversion to residential from growth restrictions; and,
5. Providing an exemption from growth restrictions for permits in process.

**Environmental Determination**

A Final Environmental Impact Report (FEIR) was prepared for the Los Osos Community Plan and LOHCP in accordance with the applicable sections of the California Environmental Quality Act (CEQA). The FEIR is included in Attachment 5 and the required CEQA findings are included in Attachment 6.

Extensive effort went into crafting the EIR in a way that will streamline future development. The EIR was specifically crafted to comply with CEQA Section 15183, which states that development may be exempt from further environmental review if the project is consistent with the Community Plan for which an EIR was certified. Prior to issuance of entitlements for development, within the Community Plan area, the County will determine whether the project is consistent with the Community Plan.

Refer to July 9, 2020 Planning Commission staff report (Attachment 4, pages 12-13) for a discussion on the key environmental issues.

## **2. Los Osos HCP and MOU with California Department of Fish and Wildlife**

As required by one of the Conditions of Approval of the Los Osos Wastewater Project Coastal Development Permit, the County prepared a Community-wide Habitat Conservation Plan (LOHCP) for the community of Los Osos. A Habitat Conservation Plan (HCP) is a required part of an application for an Incidental Take Permit, a permit issued under the United States Endangered Species Act (ESA) to private entities undertaking projects that might result in the destruction of an endangered or threatened species. The covered species include two animal species and two plant species: Morro shoulderband snail, Morro Bay kangaroo rat, Morro manzanita, and Indian Knob mountainbalm.

The Habitat Conservation Plan identifies the suite of activities that will be covered by the permit (covered activities), their anticipated impacts to the listed species covered by the permit (covered species), and the steps that the County and other plan participants will take to avoid, minimize, and mitigate the impacts of the covered activities on the covered species (the conservation strategy). The covered activities were estimated based on specific parameters for development. Full buildout of each parcel is assumed within the Urban Services Line (USL). Parcels outside of the USL are limited to a maximum of 30,000 square feet of disturbance. Parcels within the Priority Conservation Area will be required to dedicate and protect habitat set-asides on-site at a ratio of 3:1 for the area of habitat impacts. Fees for new development are as follows: \$0.75 for Restoration /Management /Administration (per disturbed square foot) and \$0.14 for Habitat Protection (per disturbed square foot). The fees will be assessed by multiplying the area of ground disturbance in square feet by each of the fee types.

General categories of covered activities included in the Habitat Conservation Plan are:

1. Commercial and residential development and redevelopment on privately-owned parcels;
2. Public entity and private utility company facility and infrastructure development projects;
3. Public entity and private utility company activities to operate and maintain, including repair and replace, existing facilities; and
4. Activities conducted to implement the Habitat Conservation Plan conservation strategy.

The purpose of issuing a programmatic incidental take permit is to allow the County to authorize the take of listed species that would result from the implementation of covered activities while conserving the covered species and their habitats. Implementation of a programmatic, multi-species Habitat Conservation Plan, rather than a species-by-species or project-by-project approach, will maximize the benefits of conservation measures for covered species and eliminate potentially expensive and time-consuming efforts associated with processing individual ITPs for each project within the proposed Habitat Conservation Plan area. Adoption of the Habitat Conservation Plan and issuance of the incidental take permit(s) will facilitate a streamlined permitting process and also provide a comprehensive conservation strategy managed by one entity with a single funding source. The Conservation strategy will focus on expansion, conservation, enhancement and management of those lands that collectively comprise of the Los Osos greenbelt.

The Public Review Draft of the LOHCP was released by the United States Fish and Wildlife Service in the fall of 2019. The Public Review Draft of the LOHCP is included in Attachment 11. As part of the LOHCP, an Interim Adaptive Management and Monitoring Plan (IAMMP) was prepared to provide the initial mitigation requirements. The Interim Adaptive Management and Monitoring Plan (IAMMP) will guide work to restore habitat within the Morro Dunes Ecological Reserve (MDER) during the initial five-year period of implementation of the LOHCP. The MDER is owned by the California Department of Fish and Wildlife. In order to allow mitigation activities at the Morro Dunes Ecological Reserve, the County needs to approve a



Memorandum of Understanding (MOU) with the California Department of Fish and Wildlife (included in Attachment 12). The MOU is needed for the US Fish and Wildlife Service to complete their Findings and to issue the County an Incidental Take Permit for the Los Osos Community-wide Habitat Conservation Plan.

### **3. Growth Management Ordinance**

The proposed GMO amendment would expand the 0% growth rate for the sewer service area to the entire urban area until the Phase 1 Basin Plan programs are complete, with exemptions for development applications received and water conservation certificates issued before the amendment takes effect. The amendment would also set a 1.3% annual growth rate for five years after the Phase 1 programs are complete, which would allow an additional 421 new dwelling units over five years. The proposed GMO amendment gives preference to the existing waitlist for vacant lots in the sewer service area that have not been able to build since the 1990s prior to adoption of the LOCP and HCP. After five years, the GMO would need to be amended to adopt a new growth rate for residential development based on the status of Phase 2 Basin Plan programs and basin monitoring. The redline and clean version of the ordinance are included in Attachments 19 and 20. The advisory memo in Attachment 16 describes the growth rate calculation in detail.

### **4. 2016-2018 RSR Update**

Resource Summary Reports assign Levels of Severity (LOS) to resources to indicate deficiencies to meet existing or forecasted community need to alert the Board of Supervisors, either I, II, or III – with LOS III indicating the highest level of concern. On March 12, 2019 the Board received and filed the 2016-2018 Resource Summary Report (“RSR”), but extracted District 2 entities due to concerns about the water supply analysis for District 2 areas, specifically for agricultural and rural water use and the Los Osos water supply. The revised report includes the extracted District 2 sections as they appeared in the version originally submitted to the Board, with updates to the water supply sections.

#### Clarification of Agricultural and Rural Water Demand and Supply Estimates

The revised District 2 water supply sections in RSR include updated footnotes that clarify the methodology and sources of uncertainty for the agricultural and rural water demand and supply estimates, updated maps showing the water planning area boundaries on which the agricultural and rural water demand and supply estimates are based, and fix a few calculation errors for forecasted agricultural water demand.

#### Los Osos Water Supply

The revised Los Osos water supply section includes updated information from the 2016-2019 annual reports and technical memos prepared for the Basin Management Committee. The revised report continues to recommend a Level of Severity III for the Los Osos Groundwater Basin water supply because the Phase 1 programs recommended for immediate implementation in the Basin Plan to halt and reverse seawater intrusion have not been completed. At least two expansion wells to shift production into the Upper Aquifer and inland remain to be constructed for Basin Infrastructure Programs “A” and “C”. Also, the estimated available sustainable basin yield is based on modeling of the basin and needs to be verified with ongoing monitoring data. The LOS may be reduced as the programs are completed and depending on monitoring results. The updated Los Osos water supply assessment in this revised RSR informed the FEIR and policies prepared for the Los Osos Community Plan and Growth Management Ordinance. The policies

continue requiring new development to offset water use until the Board of Supervisors determines that the basin can accommodate increased groundwater extraction for new development without causing seawater intrusion.

### Sustainable Water Supply for New Development

The flowchart in Attachment 18 shows milestones and growth restrictions for new development in Los Osos related to water supply availability. Special Condition 6 of the Coastal Development Permit for the community sewer currently prohibits building on undeveloped parcels within the sewer service area until the LOCP and HCP are adopted to establish sufficient growth limits to ensure development does not exceed the sustainable water supply. The LOS III designation for the groundwater supply may change based on Basin Plan program implementation and ongoing basin monitoring. The proposed LOCP standards and GMO amendments would prohibit new development in the entire urban area until Phase 1 Basin Plan programs are complete, except for ADUs, affordable housing, and converting 2<sup>nd</sup> story commercial to residential.

### Water Offset Requirements for New Development

Title 19 standards already in place require a 2:1 water offset for all new structures using water from the Los Osos Groundwater Basin, including ADUs and affordable housing, resulting in reduced overall water demand. The memo provided in Attachment 18 estimates there is sufficient water savings potential in Los Osos to offset the projected water demand for ADUs and affordable housing development. In addition, revised LOCP communitywide standards (Planning Commission Recommended Plan - chapter 7) shown in Attachment 2 require a 1:1 water offset for redevelopment projects in the urban area requiring discretionary land use permits, including converting 2<sup>nd</sup> story commercial to residential. The proposed LOCP communitywide standards also prohibit removing the 1:1 offset requirement for redevelopment and the 2:1 Title 19 offset requirements for new structures until there is available sustainable basin yield to support new development without causing seawater intrusion, based on Board of Supervisors determination, considering best available data.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Los Osos Community Advisory Council reviewed the LOCP and participated in the majority of the community meetings over the last five years. More recently LOCAC has requested specific additions to the plan. These additions include a vacation rental ordinance, additional tree policies and standards, a multi-use trail along Los Osos Valley Road between the central business district and Monarch Elementary and amendments to the Vision Statement. Staff has prepared a vacation rental ordinance for the community and the ordinance amendment will be considered by the Board today as a separate agenda item. Modifications were made to the plan to include the additional tree policies and standards (found on page 2-32 for programs for a Tree Master Plan and Street Trees and Tree Protection and Replacement, standard 7.3 L on page 7-14). In addition, the multi-use trail requested can be found on page 5-16 of the Plan and the Amendments (which deletes references to the extension of South Bay Boulevard) to the Vision Statement are also included in the Plan (Page A-4 and A-6).

Public agencies that have been involved in the Community Plan Update include: County Parks, County Public Works (with regard to roads, circulation, drainage, and infrastructure), the Regional Transit Authority, Los Osos Community Advisory Council, Los Osos CSD, SLOCOG, California Department of Fish and Wildlife,

Native American Heritage Commission, Regional Water Quality Control Board, State Historical Preservation Office, US Fish and Wildlife Service, and the Coastal Commission. Staff has coordinated extensively with the US Fish and Wildlife Service and the California Department of Fish and Wildlife regarding the Community-wide Habitat Conservation Plan.

The proposed amendments to the Growth Management Ordinance were referred to the Department of Public Works, the Los Osos Basin Management Committee, the Water Resources Advisory Committee, and the Los Osos Community Advisory Council for review and comment. County Counsel has reviewed and approved the ordinance as to form and codification.

The revised Los Osos water supply section of the 2016-2018 RSR was referred to the Department of Public Works, the Los Osos Basin Management Committee, the Water Resources Advisory Committee, and the Los Osos Community Advisory Council for review and comment.

### **FINANCIAL CONSIDERATIONS**

The County has contracted for a total of approximately \$978,385. for consultant costs for completing the Environmental Impact Report for the Los Osos Community Plan, the Public Facilities Financing Plan, the Los Osos Habitat Conservation Plan, and the associated Environmental Determinations (Environmental Assessment and Environmental Impact Report) for the LOHCP. Staff time throughout the project has been funded by existing and previous department budgets. Other than staff time, there are no other current fiscal year financial impacts.

The precise number is not known at this time, but the Department estimates \$500,000 or more in “seed money” will be necessary to initiate the LOHCP. These funds would be used to implement LOHCP programs (e.g. eucalyptus removal, etc.) that will create credits for new development. The “seed money” amount will vary depending on the LOHCP program selected to be pursued. In addition, the amount will include a 25% contingency to account for fluctuations and unforeseen costs. This cost could be funded with a General Fund loan that would be repaid with revenue from new development participating in the LOHCP.

Revenue projections indicate that the County can expect to collect approximately \$1,500,000 in fees in the next seven to nine years, which could be used to repay the loan. This amount assumes that the 226 properties on the Single-Family Dwelling Building Permit Waitlist for Los Osos are developed within this timeframe. This projection is realistic as the proposed 1.3 percent growth rate would allow for all 226 properties to develop within the five-year life of the growth rate, and the projection is conservative as it does not include properties on the Multi-Family Dwelling Building Permit Waitlist for Los Osos nor does it include increases to fees.

The Department will return to the Board at a future date with a financial analysis and recommended funding options for the LOHCP.

### **RESULTS**

Receiving and filing the submitted revised 2016-2018 RSR will reincorporate District 2 information into the report, with an updated assessment of the Los Osos water supply including 2019 annual monitoring reporting information and clarification of the agricultural and rural water demand and supply estimates for District 2 areas.

Adoption of the Los Osos Community Plan, the Estero Area Plan, Urban Area of Los Osos will enable its submittal to the California Coastal Commission, potentially resulting in a comprehensive revision to the Los Osos Urban area of the Estero Area Plan.

Approval of the Memorandum of Understanding with the California Department of Fish and Wildlife will allow mitigation activities at the Morro Dunes Ecological Reserve as part of the Los Osos Community-wide Habitat Conservation Plan and provide the necessary documentation for the US Fish and Wildlife Service to issue the County an Incidental Take Permit for the Los Osos Community-wide Habitat Conservation Plan.

Approval of the form of the Los Osos Community-wide Habitat Conservation Plan and the Interim Adaptive Management and Monitoring Plan and delegation of authority to the Planning Director to execute final documents and accept amendments as required by and final terms and conditions of the U.S. Fish and Wildlife Service will allow the issuance of the Incidental Take Permit and acceptance of the terms and conditions of the permit.

## **ATTACHMENTS**

- 1 Board resolution adopting the Los Osos Community Plan
- 2 Los Osos Community Plan - link
- 3 Planning Commission letter
- 4 PC staff reports and minutes
- 5 Link to the FEIR
- 6 LOCP CEQA findings
- 7 Mitigation Monitoring and Reporting Plan
- 8 ESHA findings
- 9 Proposed land use changes
- 10 Estero Amendments
- 11 Los Osos Habitat Conservation Plan public review draft link
- 12 MOU and IAMMP
- 13 Los Osos HCP FEIR link
- 14 LOHCP CEQA findings
- 15 LOHCP Mitigation Monitoring and Reporting Plan
- 16 Growth Management Ordinance Advisory Memo
- 17 ADUs and affordable housing memo
- 18 Flowchart
- 19 Growth Management Ordinance - red-lined
- 20 Growth Management Ordinance - clean
- 21 Resource Summary Report - red lined
- 22 Resource Summary Report - clean
- 23 Resource Summary Report - Los Osos water section
- 24 Resource Summary Report - notice of exemption
- 25 Board of Supervisors minutes March 12, 2019
- 26 Correspondence
- 27 Presentation