5.0 OTHER CEQA-REQUIRED DISCUSSIONS

This section discusses other issues for which CEQA requires analysis in addition to the specific issue areas discussed in Section 4.0, *Environmental Impact Analysis*. These additional issues include: (1) the potential to induce growth; (2) significant unavoidable effects of the project; and (3) significant and irreversible impacts on the environment.

5.1 GROWTH INDUCING EFFECTS

Section 15126.2(d) of the *State CEQA Guidelines* requires that EIRs discuss the potential for projects to induce population or economic growth, either directly or indirectly. CEQA also requires a discussion of ways in which a project may remove obstacles to growth. Generally speaking, a project may be considered growth inducing if it results in one or more of the five conditions identified below:

1. *Induces population growth;*
2. *Induces economic expansion;*
3. *Establishes a precedent setting action (e.g. an innovation, a radical change in zoning or general plan designation);*
4. *Results in development or encroachment in an isolated or adjacent area of open space (i.e. being distinct from "infill" development); or*
5. *Removes an impediment to growth (e.g. the establishment of an essential public service or the provision of new access to an area).*

The impacts identified below are based on buildout of the project which includes a Specific Plan, General Plan Amendment/Pre-Zoning, Vesting Tentative Tract Map, and development plan for the 131-acre project site, including annexation of the site into the City of San Luis Obispo. The project is intended to be consistent with the development parameters described in the City's Land Use and Circulation Element (adopted in December 2014). The project includes a mixture of residential, commercial, office, and hotel uses, with a portion of the site preserved for agriculture and open space uses. The project is planned to be constructed in six phases, beginning in 2017 and ending in 2023.

5.1.1 Population Growth

As discussed in Section 2.0, *Project Description*, the proposed project would result in up to 580 low-medium, medium, and high density residences that would range from detached single-family units to attached multi-family dwellings. Development of the project would add an estimated 1,293 residents to the City (546 new single family and multi-family dwelling units x 2.29 people/unit and 34 new affordable units x 1.25 people/unit).[1] When added to the City's existing population of 45,802, the City's total population with the project would be 47,095 persons. The City's General Plan allows the property to be developed with up to 500 dwelling units, 200,000 square feet of commercial, 150,000 square feet of office, and a 200-room hotel and conference center. In addition, as described in Section 2.0, *Project Description*, the project

[1] Population growth rate from City's Land Use and Circulation Element Appendix I Water Supply Assessment (page 9), as referred to in SB610 Water Supply Assessment – San Luis Ranch prepared by Cannon (2016; Appendix M).

includes an affordable housing component in accordance with City requirements. The San Luis Ranch Specific Plan proposes 34 deed-restricted affordable units on site for very low, low, and moderate income households, including 26 very low income units. Consistent with Section 17.90.040(d) of the City's Affordable Housing Incentives, the proposed affordable housing would allow for an 80-unit density bonus, bringing the total allowable residential units in the Specific Plan Area from 500 to 580. Therefore, population growth under the project is consistent with the City's General Plan. The potential environmental impacts associated with this population growth are analyzed throughout Sections 4.1 through 4.14 of this EIR.

5.1.2 Economic Growth

The proposed project includes residential development and commercial development. Commercial uses proposed for the project may include retail anchors, neighborhood retail, restaurants, offices, and a hotel. As such, the proposed project would contribute to economic growth by providing additional space for business within the City. Additionally, residential development may indirectly contribute to economic growth. As development occurs under the proposed project, the additional population would likely contribute to the local economy as demand for general goods increases, which in turn could result in economic growth for various sectors.

5.1.3 Precedent Setting Action

The San Luis Ranch property is identified in the City's updated Land Use Element as Specific Plan Area (SP-2). The Specific Plan area is currently part of the unincorporated area of San Luis Obispo County, but is within the City's Sphere of Influence. Policy 8.1.1 of the Land Use Element requires the completion and approval of a specific plan and associated General Plan amendment prior to annexation and development of land within the area designated SP-2. The parameters for future development within the area designated SP-2 are included in Policy 8.1.4. The San Luis Ranch Specific Plan must meet performance standards prescribed in the Land Use Element, including minimum and maximum density requirements. Annexation would be subject to approval by the San Luis Obispo Local Agency Formation Commission (LAFCo) in coordination with both the City and County of San Luis Obispo.

The project, as proposed, would require discretionary approvals from the City including the San Luis Ranch Specific Plan, General Plan Amendment/Pre-Zoning, Vesting Tentative Tract Map, and development plan for the 131-acre site, including annexation of the site into the City of San Luis Obispo, and Architectural Review. Since the project would be required to be consistent with the development parameters and what is envisioned for the site in the City's General Plan, it would not be considered precedent setting. Nevertheless, the project would be at the discretion of the City Council who may consider it on its own merits in terms of how the new proposal fulfills the City General Plan goals and objectives. Any growth inducement from these actions would occur within what is planned for the site in the City's General Plan.

5.1.4 Development of Open Space/Vacant Land

Development of open space is considered growth-inducing when it occurs outside urban boundaries or in isolated locations instead of infill areas. The City's General Plan has identified

several specific plan areas within its boundaries that are designated for development. The San Luis Ranch Specific Plan area is designated as such and development of the site would occur in an area of the City surrounded by existing development. The Specific Plan would not involve development on existing dedicated open space or parks. As described in Section 2.0, *Project Description*, the project would also preserve approximately 53 acres of project site in agriculture and approximately 8 acres of the project site in open space.

5.1.5 Removal of an Impediment to Growth

The project would not result in the removal of an impediment for growth, as adequate access and services are already available for the adjacent and surrounding areas, which are all within the City of San Luis Obispo. Rather, the project would facilitate a planned mixture of uses on one of the last remaining large sites and Specific Plan areas identified within the City of San Luis Obispo's General Plan Land Use Element. As such, it would reduce the potential for uncontrolled piecemeal growth in the region and it would reduce the pressure for urban sprawl beyond the existing urban limits. The project site is contiguous to urban land uses designated for urban development, and the site is entirely surrounded by land within the limits of the City. In addition, by focusing development within already urban-designated areas, it is anticipated that implementation of the project would reduce growth pressure in undeveloped areas at the periphery of the City. This would be expected to reduce the potential for impacts relating to such issues as biological resources, regional traffic, and air quality as compared to development on lands beyond urban boundaries. No additional utility infrastructure or facilities beyond those necessary to accommodate the project would be required. Overall, the proposed project would not result in the removal of an impediment to growth.

5.2 SIGNIFICANT UNAVOIDABLE EFFECTS

State CEQA Guidelines §15126(b) requires that an EIR identify those significant impacts that cannot be reduced to a less than significant level with the application of mitigation measures. The implications and reasons why the project is being proposed, notwithstanding, must be described.

As discussed in Sections 4.3, 4.5, 4.9, 4.10, and 4.12, implementation of the project would result in the following significant and unavoidable impacts:

- *Air Quality – 2001 Clean Air Plan consistency*
- *Cultural Resources – Relocation and removal of historic structures*
- *Land Use/Policy Consistency – Inconsistency with City General Plan policies related to historic resource protection and multimodal level of service*
- *Noise – Temporary construction noise*
- *Transportation and Circulation – Near-Term Plus Project and Cumulative Plus Project traffic conditions*

5.3 SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL EFFECTS

State CEQA Guidelines §15126.2(c) requires a discussion of any significant irreversible environmental changes which would be caused by the proposed project should it be implemented. Such significant irreversible environmental changes may include the following:

- *Use of non-renewable resources during the initial and continued phases of the project which would be irreversible because a large commitment of such resources makes removal or non-use unlikely;*
- *Primary impacts and, particularly secondary impacts (such as highway improvement which provides access to a previously inaccessible area) which generally commit future generations to similar uses; or*

1. *Irreversible damage which may result from environmental accidents associated with the project.*

Project development would result in the permanent conversion of open, agricultural lands to residential and commercial uses. It would also require building materials and energy, some of which are non-renewable resources. Consumption of these resources would occur with any development in the region and are not unique to the proposed project. The addition of new residential units and commercial space would irreversibly increase local demand for non-renewable energy resources such as petroleum and natural gas. Increasingly efficient building fixtures and automobile engines, as well as implementation of policies included in the San Luis Ranch Specific Plan are expected to offset the demand to some degree. It is not anticipated that growth accommodated under the proposed project would significantly affect local or regional energy supplies. The project's energy use and energy conservation components are discussed further in Section 5.4, *Energy Use and Conservation*.

Growth accommodated under the proposed project would require an irreversible commitment of law enforcement, fire protection, water supply, wastewater treatment, and solid waste disposal services. In addition, the vehicle trips associated with the proposed project would incrementally contribute local traffic and noise levels and regional air pollutant emissions. Accordingly, impacts related to air quality, cultural resources, greenhouse gas emissions, land use/policy consistency, noise, and transportation and circulation were determined to be significant and unavoidable, as discussed in Sections 4.3, 4.5, 4.6, 4.9, 4.10, and 4.12 of this EIR.

5.4 ENERGY USE AND CONSERVATION

Public Resources Code Section 21100(b)(2) and Appendix F of the *CEQA Guidelines* require that EIRs include a discussion of the potential energy consumption and/or conservation impacts of proposed projects when relevant, with particular emphasis on avoiding or reducing inefficient, wasteful, or unnecessary consumption of energy. The project's anticipated energy use (including fuel consumption) and energy conserving components are evaluated in this section to determine whether the project would result in unnecessary or wasteful energy consumption. The discussion of the project's anticipated energy use includes fuel consumption.

State and Regional Energy Consumption.

State. California is one of the lowest per capita energy users in the United States, ranked 49th in the nation, due to its energy efficiency programs and mild climate (U.S. Energy Information Administration [EIA] 2014). California used 295,405 gigawatt-hours (GWh) of electricity in 2015 (California Department of Energy 2015) and 2,309,759 million cubic feet of natural gas in 2014 of which 401,172 million cubic feet were consumed by residential users (EIA 2015). In addition, Californians presently consume nearly 18 billion gallons of motor vehicle fuels per year (California Energy Commission [CEC] 2014). The single largest end-use sector for energy consumption in California is transportation (38.7 percent), followed by industry (24.4 percent), commercial (18.6 percent), and residential (18.3 percent) (EIA 2014).

The majority of California's electricity is generated in-state with approximately 44 percent imported from the Northwest and Southwest in 2015 (CEC 2015). In addition, approximately 26 percent of California's electricity supply comes from renewable energy sources (CEC 2016a), such as wind (24,100 GWh), solar photovoltaic (PV) (15,100 GWh), geothermal (12,900 GWh), and biomass (8,600 GWh) (CEC 2016). Senate Bill (SB) 350, adopted in October 2015, requires that renewables supply 50 percent of retail electricity by 2030. Self-generation using rooftop solar PV and increased appliance energy efficiency has resulted in a decline in state energy total system power in 2015, a trend that is expected to continue (CEC 2016a).

California's existing natural gas supply portfolio is regionally diverse and includes supplies from California sources (onshore and offshore), Southwestern U.S. supply sources (the Permian, Anadarko, and San Juan basins), the Rocky Mountains, and Canada (California Gas and Electric Utilities 2016). California natural gas demand, including volumes not served by utility systems, is expected to decrease at a rate of 1.4 percent per year from 2016 to 2035. Residential gas demand is expected to decrease at an annual average rate of 0.5 percent due to aggressive energy efficiency programs (California Gas and Electric Utilities 2016).

To reduce statewide vehicle emissions, California requires that all motorists use California Reformulated Gasoline (CaRFG), which is sourced almost exclusively from in-state refineries. Gasoline is the most used transportation fuel in California with 15.1 billions of gallons sold in 2015 and is used by light-duty cars, pickup trucks, and sport utility vehicles (CEC 2016b). Diesel is the second most used fuel in California with 4.2 billion gallons sold in 2015 and is used primarily by heavy duty-trucks, delivery vehicles, buses, trains, ships, boats and barges, farm equipment, and construction and heavy duty military vehicles (CEC 2016c). Both gasoline and diesel are primarily petroleum-based and their consumption releases greenhouse gases, including CO_2 and NO_X. The transportation sector is the single largest source of greenhouse gas (GHG) emissions in California, accounting for 37 percent of all inventoried emissions in 2013 (ARB 2015).

The California Energy Code provides energy conservation standards for all new and renovated commercial and residential buildings constructed in California. The Code applies to the building envelope, space-conditioning systems, and water-heating and lighting systems of buildings and appliances. It provides guidance on construction techniques to maximize energy conservation and minimum efficiency standards for a variety of building elements, including appliances, heating and cooling equipment, and insulation for doors, pipes, walls and ceilings. CALGreen sets targets for: energy efficiency, water consumption, dual plumbing systems for

potable and recyclable water, diversion of construction waste from landfills, and use of environmentally sensitive materials in construction and design.

Regional. Electricity service for the project would be provided by Pacific Gas & Electric (PG&E), which provides natural gas and electric service to approximately 16 million people throughout a 70,000-square mile service area in northern and central California (PG&E 2017). electricity to about 14 million people in Southern California. In 2015, SCE provided 27,581 millions of kWh (GWh) to its residential users (CEC 2016d). SCE's power mix consists of approximately 25 percent renewable energy sources (wind, geothermal, solar, small hydroelectric, and biomass) (SCE 2015). Gas service would be provided by the Southern California Gas Company (SoCalGas), which serves 21.6 million consumers throughout Southern California. In 2015, SoCalGas provided 2,038 million therms to its residential users (CEC 2016e).

According to the San Luis Obispo Council of Governments (SLOCOG) and the California Department of Transportation (Caltrans), there were a total of approximately 530,000 vehicle miles traveled (VMT) in the City of San Luis Obispo, and approximately 7,862,000 VMT in the County in 2013 (Caltrans 2015). These annual VMT contribute to the consumption of gasoline and diesel fuel in the region. San Luis Obispo County also provides a variety of public transit services, including bus and paratransit service and vanpools.

San Luis Ranch Project Energy Consumption. The project would involve the use of energy during construction and operation. Energy use during the construction phase would be primarily in the form of fuel consumption to operate heavy equipment, light-duty vehicles, machinery, and generators for lighting. Temporary grid power may also be provided to construction trailers or electric construction equipment. Long-term operation of the project would require permanent grid connections for electricity and natural gas service to power internal and exterior building lighting, and heating and cooling systems. In addition, the increase in vehicle trips associated with the project would increase fuel consumption.

Electricity and Natural Gas. Table 5-1 shows the project's estimated electricity and natural gas demand compared to statewide demand. Electricity and natural gas consumption were estimated using CalEEMod, as described in Section 4.3, *Air Quality* and Section 4.6, *Greenhouse Gas Emissions* (refer to Tables 5.2 and 5.3 included in Appendix D). Based on the modeling assumptions described in Section 4.3, *Air Quality* and Section 4.6, *Greenhouse Gas Emissions*, project development would utilize approximately 58,300 megawatt hours (MWh) of electricity and approximately 23,700 million cubic feet of natural gas per year during operation. As shown in Table 5-1, the project's electricity consumption would represent approximately 0.002 percent of statewide annual demand, and project natural gas consumption would represent approximately 0.001 percent of statewide annual demand.

Table 5-1
Project Energy Use Relative to Statewide Energy Use

Form of Energy	Units	Annual Project-Related Energy Use	Annual Statewide Energy Use	Project Percent of Statewide Energy Use
Electricity	Megawatt hours	5,832[1]	295,405,000[2]	0.002%
Natural Gas	Billions of cubic feet	0.024[1]	2,313[3]	0.001%

[1] CalEEMod output (provided in Appendix D)
[2] California Energy Commission 2017a
[3] California Energy Commission 2017b

Gasoline and Diesel Fuel. A large portion of the project's energy use would result from fuel consumption associated with project-related vehicle trips. As shown in Table 4.12-17, buildout of the Specific Plan Area would generate approximately 16,917 new daily trips. Table 5-2 shows the project's estimated annual operational fuel consumption due to vehicle travel. Fuel consumption was estimated using the default fleet vehicle mix and the total annual mitigated annual VMT from the CalEEMod trip generation estimates, and average fuel efficiencies for each vehicle category (refer to Table 4.4 included in Appendix D, which shows the default fleet vehicle mix used by CalEEMod). Based on these assumptions, the project would result in the consumption of approximately 734,153 gallons of vehicle fuel per year during operation, which represents approximately 0.004 percent of annual statewide fuel consumption.

Table 5-2
Project Operational Vehicle Fuel Consumption

Vehicle Type	Percent of Vehicle Trips[1]	Annual Vehicle Miles Traveled[2]	Average Fuel Efficiency (miles/gallon)[3]	Total Annual Fuel Consumption (gallons)
Passenger Cars	54.9	7,181,775	23.3	308,231
Light/Medium Trucks	36.5	4,774,768	17.1	279,226
Heavy Trucks/Other	8.0	1,058,560	7.3	145,008
Motorcycles	0.6	73,257	43.4	1,688
Total	**100%**	13,088,359	**--**	**734,153**
			State Motor Vehicle Fuels	18,019,000,000[4]
			Project Percent of Statewide Energy Use	0.004%

[1] Percent of vehicle trips found in Table 4.3 "Trip Type Information" in CalEEMod outputs (see Appendix D)
[2] Mitigated annual VMT found in Table 4.2 "Trip Summary Information" in CalEEMod outputs (see Appendix D). Annual VMT per vehicle type = Mitigated annual VMT * Percent of vehicle trips per vehicle type.
[3] Source: US DOT, Bureau of Transportation Statistics. 2013. National Transportation Statistics 2013, Tables 4-12 and 4-13. Washington DC. Vehicle classes provided in CalEEMod do not correspond exactly to vehicle classes in USDOT fuel consumption data, except for motorcycles. Therefore, it was assumed that passenger cars correspond to the light-duty, short-base vehicle class, light/medium trucks correspond to the light-duty long-base vehicle class, and heavy trucks/ other correspond to the single unit, 2-axle 6-tire or more class.
[4] California Energy Commission 2014
Note: Total may not add up due to rounding.

In addition, construction activities would also result in short-term fuel consumption from worker trips, operation of diesel-powered equipment, and hauling trips.

Appendix F Requirements and Energy Conservation Standards. Appendix F of the CEQA Guidelines requires inclusion in an EIR of relevant information that addresses "potential energy impacts of proposed projects, with particular emphasis on avoiding or reducing inefficient, wasteful and unnecessary consumption of energy"(Public Resources Code Section 21100[b][3]). Although the CEQA Guidelines do not include formal thresholds for evaluating the significance of potential energy-related impacts, the following discussion addresses direct energy impacts of the project as framed in Appendix F of the CEQA Guidelines by evaluating whether the project would result in the wasteful or inefficient consumption of energy or the potential need for new energy-related infrastructure, the construction or operation of which would have significant impacts.

1. *Would the project result in the wasteful and inefficient use of non-renewable resources during construction and operation of the project?*

Project operation would result in the annual consumption of approximately 5,832 megawatt hours of electricity, 24 million cubic feet of natural gas, and 734,153 gallons of vehicle fuel each year. Increasingly efficient building fixtures and automobile engines, as well as implementation of policies included in the San Luis Ranch Specific Plan are expected to offset the project's energy demand to some degree. The project would be subject to energy conservation requirements in the California Energy Code (Title 24, Part 6, of the California Code of Regulations, California's Energy Efficiency Standards for Residential and Nonresidential Buildings) and the California Green Building Standards Code (CALGreen) (Title 24, Part 11 of the California Code of Regulations). Adherence to Title 24 requirements would ensure that the project would not result in wasteful and inefficient use of non-renewable resources due to building operation.

The project includes a number of components that would reduce transportation-related energy use. These project components have been discussed in Section 2.0, *Project Description*, Section 4.3, *Air Quality*, Section 4.6, *Greenhouse Gas Emissions*, and Section 4.12, *Transportation*, and are summarized in the following discussion. First, the project's internal circulation would include an emphasis on pedestrian and bicycle circulation. Proposed neighborhoods would be connected with a local street and trail system, and would contain recreational areas. The project would include a Class I Bike Trail and Class II bike lanes, construct a new segment of the Bob Jones Bike Trail, and provide a connection from Laguna Lake Park and nearby neighborhoods and businesses along Madonna Road to the existing segment of the Bob Jones Trail near the Target shopping center at the southern portion of the City limit at Froom Ranch Way. Second, the project would also include a transit center that would provide direct transit access between the project site and downtown San Luis Obispo. Third, the proposed project would be a mixed-use development that would locate housing near existing and proposed job opportunities. These three features would reduce the number of vehicle trips associated with the project, and, therefore, decrease fuel consumption associated with project operation.

Sections 4.3, *Air Quality*, and 4.12, *Transportation*, of this EIR include mitigation measures intended to reduce air quality and traffic impacts, which would have the secondary effect of

reducing project-related energy consumption. Table 5-3 summarizes applicable EIR mitigation measures and describes their potential to reduce project-related energy consumption.

Table 5-3
Summary of Mitigation Measure Energy Reduction

Mitigation Measure	Energy Reduction
AQ-1. Encourage Telecommuting	Reduce vehicle fuel consumption associated with project operation by reducing vehicle trips
AQ-2(b). Standard Control Measures for Construction Equipment	Reduce fuel consumption associated with project construction by improving construction vehicle fuel efficiency
AQ-2(c). Best Available Control Technology (BACT) for Construction Equipment	Reduce fuel consumption associated with project construction by improving construction vehicle fuel efficiency
AQ-3(a). Standard Operational Mitigation Measures	Reduce vehicle fuel consumption associated with project operation by promoting use of alternative transportation. Reduce use of fossil fuel-based electricity sources by accommodating renewable energy use and directly reducing energy use through building design and incorporation of energy-efficient features
AQ-3(b). Off-Site Mitigation	Reduce vehicle fuel consumption in SLO by reducing vehicle trips and/or improving fuel efficiency of land and marine vehicles and equipment
All Transportation Mitigation (see Table 4.12-1)	Reduce vehicle fuel consumption by reducing congestion and promoting alternative transportation (e.g., provide bike lanes)

The project would be required to comply with applicable Title 24 building standards, would include features to promote use of alternative transportation during operation, and would incorporate required EIR mitigation that would reduce construction and operational energy use by decreasing vehicle trips, increasing fuel efficiency, increasing building energy efficiency, and facilitating use of renewable energy. Therefore, the project would not result in wasteful and inefficient use of non-renewable resources during construction and operation.

2. *Would the project result in the need for new systems or substantial alterations to electrical, natural gas, or communication systems infrastructure, the construction or operation of which would have significant impacts?*

New construction, or substantial alteration of existing, energy infrastructure to expand capacity could result in potentially significant environmental impacts. To determine whether the project would require substantial alteration or new infrastructure, the project's operational energy demands were estimated and compared to Statewide demand.

Based on the comparisons of project electricity, natural gas, and fuel demand to statewide demand for these resources shown in Tables 5-1 and 5-2, the project's energy demand would result in a nominal increase statewide energy demand. Furthermore, California's use of non-renewable electricity and natural gas are expected to continue to decline as a proportion of overall energy demand due to stringent energy efficiency measures and a mandated increase in renewable energy use that would serve to offset any increase in non-renewable energy use resulting from the project. Therefore, the project would not be expected to result in the need for construction of new major facilities or substantial alteration of existing facilities to meet the project's energy demands.

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