

**CITY OF SAN LUIS OBISPO
PLANNING COMMISSION AGENDA REPORT**

ITEM # 3

FROM: Kim Murry, Deputy Director  **MEETING DATE:** December 17, 2008

Prepared By: Michael Codron, Housing Programs Manager

FILE NUMBER: SP/ER 209-98

PROJECT ADDRESS: Orcutt Area

SUBJECT: Orcutt Area Specific Plan update.

SUMMARY RECOMMENDATION

No action is recommended or required of the Planning Commission.

BACKGROUND

Situation

Between February and June, 2008, the Planning Commission held six public hearings to discuss the Public Hearing Draft of the Orcutt Area Specific Plan (OASP) and the Draft EIR (DEIR) for the project. The Commission discussed and provided direction to staff on changes to Chapters One through Seven of the plan (Attachment 1).

During this period, the Plan was also reviewed by the City Council, Architectural Review Commission, Cultural Heritage Committee, Parks and Recreation Commission and Bicycle Advisory Committee. The last Planning commission meeting was held on June 25th for the purpose of reviewing Chapter 8, the Public Facilities Financing Plan (PFFP). At the meeting, there was strong property owner opposition expressed with respect to the cost of certain OASP facilities and how these costs might be financed. As a result, City staff has been working with Orcutt Area property owners to identify ways to reduce costs and to develop strategies for moving forward.

Two other major issues have slowed progress towards adoption of the OASP. The first is the location of the school, which is not supported by the Airport Land Use Commission. The second is the regional detention basin, which may not provide a feasible drainage solution under proposed Regional Water Quality Control Board (RWQCB) regulations.

The purpose of this agenda item is to provide the Commission, which now includes four new members, with an update on progress made on these key issues since June. New Commissioners have been provided with copies of the OASP, DEIR and Public Facilities Financing Plan. No decisions are required by the Planning Commission at this time.

Past agenda reports and meeting minutes can be downloaded from the OASP information page on the City's website, located at the following URL:

<http://www.slocity.org/communitydevelopment/oasp.asp>

DISCUSSION

Public Facilities Financing Plan

The PFFP describes costs and financing alternatives for area-wide projects that are needed to serve development in the Orcutt Area, but does not include costs for in-tract improvements such as local streets. The PFFP assigns over \$22 million in infrastructure costs to the residential land uses in the specific plan. This results in fees of over \$60,000 per single-family home when City-wide fees (such as water, sewer and traffic impacts fees) are included. The table below summarizes the total fees currently estimated for the Orcutt Area.

**TABLE ES-1
TOTAL PROJECT-SPECIFIC INFRASTRUCTURE PLUS CITY-WIDE AND OTHER FEES**

| Land Use | Project-Specific Impact Fees | | | | Total Project-Specific Impact Fees | City-Wide Impact Fees | | | Total City-Wide Fees | Other Impact Fees | | | | Total Gross Fees per Unit | Total Gross Fees per Net Acre |
|--------------------|------------------------------|------------------------------------|-------------------|-----------------------|------------------------------------|-----------------------------------|---------------------|---------------------|----------------------|--------------------|-----------------------|---------------------------------|------------------------|---------------------------|-------------------------------|
| | Trans- portation | Pedestrian and Bicycle Paths | Storm Drainage | Parks & Recreation | | Trans- portation Impact Fee | Water Impact Fee | Sewer Impact Fee | | Park Mitigation | Affordable Housing | Specific Plan and EIR Fee | Total Other Fees | | |
| Zone 1 | | | | | | | | | | | | | | | |
| <u>Residential</u> | | | | | | | | | | | | | | | |
| Single Family | \$6,218 | \$5,843 | \$2,472 | \$13,368 | \$27,900 | \$3,093 | \$15,292 | \$6,672 | \$25,057 | \$5,745 | \$3,610 | \$1,401 | \$10,756 | \$63,713 | \$366,511 |
| Multi-Family | \$4,344 | \$4,082 | \$1,151 | \$9,948 | \$19,524 | \$2,745 | \$12,234 | \$5,338 | \$20,317 | \$4,275 | \$1,353 | \$525 | \$6,153 | \$45,994 | \$710,532 |
| Zone 2 | | | | | | | | | | | | | | | |
| <u>Residential</u> | | | | | | | | | | | | | | | |
| Single Family | \$6,218 | \$5,843 | n/a | \$13,368 | \$25,429 | \$3,093 | \$15,292 | \$6,672 | \$25,057 | \$5,745 | \$3,610 | \$1,401 | \$10,756 | \$61,242 | \$472,451 |
| Multi-Family | \$4,344 | \$4,082 | n/a | \$9,948 | \$18,374 | \$2,745 | \$12,234 | \$5,338 | \$20,317 | \$4,275 | \$1,353 | \$525 | \$6,153 | \$44,844 | \$805,523 |

The PFFP was prepared by Goodwin Consulting Group for the City. The cost estimates for the infrastructure projects that are included in the appendices were prepared by Wallace Group. The costs described are based on 2007 values and represent a snapshot in time. These costs may be updated from time to time when new information becomes available, resulting in revised fees. In addition, annual adjustments based on the Consumer Price Index are typically incorporated into the resolution or ordinance that implements the fee program.

When the Planning Commission met in June, 2008, to discuss the PFFP, testimony from several property owners concerning the proposed fees resulted in a new effort by staff to develop consensus among the owners. Property owners in the Orcutt Area have legitimate concerns regarding financial feasibility, which were expressed in a letter written by several property owners to City staff. City staff followed up with the owners by providing a written response, entitled PFFP Brief (Attachment 2). In addition, presentations were made to two groups of owners illustrating how approximately \$13 million in cost savings could be achieved (Attachment 3). This information was presented to the property owners during meetings held in August and September and the response has been positive, however the issues are not resolved and discussions are ongoing. Staff will present an update on these discussions to the Commission during the meeting.

The School Site and the ALUC

The Orcutt Area is located within two miles of the San Luis Obispo County Regional Airport and must be reviewed by the Airport Land Use Commission (ALUC) for consistency with their Airport Land Use Plan. A consistency determination by the ALUC is required under State law, although there are also procedures in the Government Code that allow the City Council to override the ALUC's decision with a 4/5ths vote. Historically, the City has worked hard to avoid the need for an override decision, and staff will continue to work in this regard.

The ALUC met on June 25, 2008, to hear a City staff presentation of the unique issues surrounding the proposed school site. During the meeting, the ALUC indicated that they do not support the location of the school site as proposed in the OASP and that they will not determine that the OASP is consistent with the ALUP unless the school site is relocated or eliminated.

The situation with the school site and the OASP is unique because San Luis Coastal Unified School District (SLCUSD) is a superior agency and can locate a new school in the Orcutt Area without regard to the Airport Land Use Commission's determination. In other words, the City could remove the school site from the OASP as desired by the ALUC, but this would not prevent SLCUSD from acquiring the site and developing a new elementary school. The City has planned to accommodate the school in the Orcutt Area at the request of SLCUSD because a new elementary school will be required in this area as residential development in the Margarita Area and the Orcutt Area progresses. The City's planning effort insures that Orcutt Area streets and intersections will function properly with school traffic, and allows for shared park facilities between the City and school.

Further complicating the issue, Cal Trans Division of Aeronautics has determined that the proposed site is acceptable (though not preferred). This determination is a preliminary step in the process of State Department of Education approval for the site. SLCUSD's school site consultant has previously determined that the site could be permitted, and is currently working on updating their recommendation. While these recommendations indicate that the proposed school site should be avoided if other alternatives are available, the other alternatives are less consistent with the District's goals to develop neighborhood schools. The other alternatives that are being considered include the Garay property, the Righetti Ranch House Site on the northwest corner of Orcutt Road and Tank Farm Road, and the Wixom Ranch property on the northeast corner of Orcutt Road and Tank Farm Road. Direction from the SLCUSD Board of Directors is expected in January, when the school site recommendations will be presented to them.

Water Quality Requirements and the Regional Detention Basin

Draft Regional Water Quality Control Board (RWQCB) requirements to further implement the Clean Water Act are likely to result in a need to amend the drainage plan for the Orcutt Area Specific Plan in the future - after the City adopts new standards to comply with updated storm water management regulations. Currently, the City's Waterways Management Plan allows for metered outflow from detention basins to match the rate and volume of storm water flows from project sites. The new regulations proposed by the RWQCB could limit the duration of the outflow from the site to closely match existing conditions. As a result, the detention basin, as currently envisioned, may not provide a feasible long-term drainage solution for the Orcutt Area.

On the project level, Low Impact Design (LID) standards for the Orcutt Area can help individual projects comply with the new regulations. These standards would guide the design of new subdivisions so that post-development runoff conditions match existing conditions as closely as possible. This can be accomplished through a variety of LID measures, which can include decreasing impervious surfaces and substantial use of vegetated swales coupled with retention strategies such as cistern collection systems and bio-retention ponds, among other best practices. To the extent that these project level best practices don't result in compliance with new storm water management standards, a regional retention solution may provide some added capacity. The City does not expect to have new standards in place for approximately three years. However, when public hearings resume on the OASP, staff will recommend that the plan include additional information regarding LID and expected storm water management requirements so that project designers can include these measures during the earliest phases of subdivision design.

The detention basin area should be reserved for future storm water management purposes, but the final solution and use of this area (including the cost of improvements) cannot be determined until either (1) the City adopts its new standards, or (2) subdivisions go through the City's development review process and proposed storm water management solutions receive support from the RWQCB. As a result, staff may also recommend eliminating the detention basin improvement costs from the PFFP and instead include policies that would require a comprehensive solution consistent with RWQCB requirements prior to the first subdivision approval in the Orcutt Area.

Conclusion

In conclusion, City staff is concerned that continued delays may jeopardize the significant progress made by the Planning Commission on the OASP during 2008. As a result, staff intends to aggressively pursue solutions to these issues during the first two months of 2009. By the end of February, there should be clear direction from the SLCUSD regarding which school site they intend to pursue and continued discussions with the property owners and modifications to the PFFP should provide a path forward for property owners concerned about financial feasibility. Finally, a flexible approach to drainage requirements that recognizes the changing regulatory environment can allow for adoption of the OASP and annexation as key incremental steps towards development of the Orcutt Area.

ATTACHMENTS

1. OASP changes directed by City advisory bodies
2. PFFP Brief (answers to property owner questions about the PFFP)
3. Powerpoint presentation on proposed PFFP revisions and potential cost reductions

Additional Background Information:

<http://www.slocity.org/communitydevelopment/oasp.asp>

Attachment 1

OASP – Public Hearing Draft Changes

| Date | Who | Location | Text |
|------|-----|----------------------------|---|
| 4/23 | PC | Appendix B | Phasing schedule to include note, "This table is amended from time to time. Contact City staff for the most current schedule." |
| 4/23 | PC | Table 1.1 | Change Low Density Residential to <u>4,500-15,000 s.f.</u> |
| 4/23 | PC | p. 2-4, 2.2.10a | Change Righetti family to <u>land owner</u> |
| 4/23 | PC | p.2-1 | Change the reference for the Open Space definition: <u>Conservation Open Space Element, Section 8.15 Chapter 8</u> |
| 4/23 | PC | Throughout | Change Mine Hill to <u>Righetti Hill</u> |
| 4/23 | PC | Table 9.1 | Amend to reflect <u>Righetti Hill dedication per Policy 2.2.9</u> |
| 4/23 | PC | p.2-4, 2.2.9b | Add after first sentence: <u>Prior to allowing public access to the top of the hill, the City will develop a management plan for the open space resource consistent with the Conservation and Open Space Element. The management plan will be based on an archeological study, as required by EIR mitigation measure CR-1(b) (see Appendix C).</u> |
| 4/23 | PC | Appendix C | Update with <u>current/correct EIR mitigation measures.</u> |
| 4/23 | PC | 2-9, 1 st sent. | Recreation resources a neighborhood park, <u>one or more pocket parks, a linear park...</u> |
| 4/23 | PC | Throughout | Change references to <u>4,500 s.f. minimum lot size.</u> |
| 4/23 | PC | End of p. 3-4 | <p>Delete last paragraph and add the following text: <u>If there is a greater demand for ground-floor commercial uses than can be accommodated in the designated C-C-MU zone, then similar commercial uses may be established at the storefront level upon approval of a Planning Commission Use Permit. Properties in the "special design coordination zone" along "A" Street will be zoned with a Special Considerations overlay to specify the required findings that would need to be made as part the Use Permit. The Use Permit may establish any setback or building requirements that are necessary to approve a compatible building design. The findings for use permit approval will include:</u></p> <p><u>(1) The project is designed in a manner consistent with the Orcutt Area Specific Plan community design criteria and is contiguous to existing mixed-use development to the south on "A" Street.</u></p> <p><u>(2) The two plazas planned for the corner of "A" Street and "B" Street have been developed and are serving their intended function.</u></p> <p><u>(3) Additional demand for neighborhood services for residents in the Orcutt Area has been demonstrated and can be accommodated by the proposed project.</u></p> <p><u>(4) The proposed uses are not regional draws and will not increase traffic from other parts of the City into the Orcutt Area.</u></p> |
| 4/23 | PC | p.3-6 | Delete Policy 3.2.23 |

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| 4/23 | PC | p. 3-6, Section 3.2.24 | Add a third sentence to the first paragraph as follows: ...for most agricultural activities. <u>Historic usage patterns and recent experience has shown that water availability for agricultural uses in the Orcutt Area is limited.</u> The plan area does not... |
| 4/23 | PC | p. 3-7, Section 3.2.5 and related policies | Section 3.2.5 will need to be revised depending on the result of the airport planning process, alternative sites are now being considered by the School District. |
| 4/23 | PC | Throughout | Revise Specific Plan (Figure 1.3) and other references to show the designated school site and secondary park site as R-2, which allows all three potential uses, school, park and residential. |
| 4/23 | PC | p. 3-2 | Delete policy 3.2.6 because the maximum lot size is 15,000 s.f. |
| 4/23 | PC | p. 3-2 | Policy 3.2.16 shall be re-written as follows: <u>All common outdoor areas within multiplexes, mobile home parks and multi-family apartment projects shall be privately maintained by a homeowner's association or other acceptable method.</u> |
| 4/28 | CHC (CHC rec's approved by PC on 5/14) | p. 1-2 | <p>Two new narratives are required under Section 1.5 Planning Area Character. The first will include an introduction to the "living history of the California Native American culture." The text for this section is being prepared by the Northern Chumash Tribal Council in conjunction with the City and other jurisdictions for incorporation into local planning documents. If the language is available before the next draft is printed, it should be incorporated.</p> <p>Second is a brief overview of the history of the Orcutt Area, with a discussion of Jacob H. Orcutt and the Righetti Ranch House complex.</p> <p>Attachments to this document include a biography of Jacob H. Orcutt and a list of suggested corrections proposed by the Northern Chumash Tribal Council for incorporation into the OASP.</p> |
| 4/23 4/28 | CHC | p. 2-16 | Update with a discussion of the historical significance of the Righetti Ranch House complex. |
| 4/28 | CHC | p. 2-16 | Add new Policy 2.5.2: Incorporate, by reference, Section 4.30 of the Archeological Resource Preservation Guidelines, Mitigation Methods, Avoidance. |
| 5/5 | ARC (ARC rec's approved by the PC on 5/28) | p. 4-2 | Add new Policy 4.1.3: <u>Development along the lower slopes of Righetti Hill shall respect existing elevation contours and shall be designed consistent with Section 7.2, Hillside Development, of the Community Design Guidelines.</u> |

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| 5/5 | ARC | p. 4-2 | Add a sentence to the end of the first paragraph under Section 4.2 as follows: ...Orcutt Area community. <u>However, the design of these buildings should not replicate downtown, rather they should key of designs and themes used in the surrounding residential neighborhood, and building design and materials should reflect the site context.</u> |
| 5/5 | ARC | p. 4-9 | Add Policy 4.4.4 as follows: <u>Pedestrian scale lighting should be used to reinforce a pedestrian scale in the Community-Commercial center, but the lighting should be different than the Downtown lighting standard.</u> |
| 5/5 | ARC | p. 4-12 | Add Policy 4.6.3 as follows: <u>Public art should be integrated into the Orcutt Area and not limited to designated locations.</u> |
| 5/14 | PC | p. 3-8 | Revisions pending additional discussion and direction based on owner desire to eliminate in-lieu fee for low-income housing. |
| 5/14 | PC | p. 3-3 | Policy 3.2.18: delete last sentence regarding reconditioned or used mobile homes. |
| 5/14 | PC | p. 3-7 | Section 3.3 #5: Add manufactured housing to this list. |
| 5/14 | PC | throughout | Research and use correct term for manufactured housing consistently throughout document |
| 5/14 | PC | pg. 1-4 | Section 1.5, include two new headings, one will incorporate safety discussion regarding UPRR from DEIR; the second will incorporate EMF discussion from DEIR. |
| 5/14 | PC | pg. 3-8 | Policy 3.3.4: direction regarding timing of dedication (not later than Phase II) pending resolution of program. |
| 5/14 | PC | pg. 3-3 | Policy 3.2.18: Allow mobile home parks in “all zones.” |
| 5/14 | PC | pg. 3-9 | Policy 3.3.5: calculate potential loss in affordable housing (based on acreage in commercial zones) and propose method to make this unit count up in other areas if appropriate. |
| 5/14 | PC | pg. 2-13, 2-16 | Revised figures 2.5 and 2.8 approved as proposed. |
| 5/14 | PC | Figure 2.4 | Rezone A Street frontage at Parsons to R-3, consistent with property across the street. |
| 5/14 | PC | pg. 2-16 | Add Program 2.4.1.f: Architectural Review of house plans, or adoption of comprehensive design guidelines, shall be required of sensitive parcels along view corridors within the Orcutt Area as part of the Subdivision Review process. |
| 5/14 | PC | pg. 2-16 | Add Program 2.4.1.g: Homes developed along ‘E’ Street shall not be visible looking northerly from the Orcutt/Tank Farm gateway into the City. |
| 5/14 | PC | pg. 2-16 | Program 2.4.1.d: ...unless the <u>two-story portion of the building is set back from the residential property line adjacent edge of the right of way by at least 50 feet...</u> |
| 5/28 | PC | pg. 4-1 | Section 4.1 Design Quality and Character: Add more detail and clarity to the Community Design discussion, using examples from the Fremont Small-Lot Design Guidelines and other resources. |
| 5/28 | PC | pg. 4-1 | Program 4.1.1.b: Residential R-1 and R-2 development is encouraged to observe the design guidelines. |

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| 5/28 | PC | pg. 4-2 | Clarify that porches are encouraged and that entries facing the street are required, include a preferred design for open fencing. |
| 5/28 | PC | pg. 4-11 | Program 4.5.1.f and 4.5.2.d: replace double glazed windows with “special noise-attenuating windows” in both programs. |
| 5/28 | PC | pg. 4-12 | Policy 4.6.2: Include the school in the list of locations appropriate for public art. |
| 5/28 | PC | pg. 5-1 | Section 5.1: Based upon preliminary traffic studies only, a minor increase in volumes on Orcutt Road is expected. Based on the traffic study prepared for the Program EIR, development of the Orcutt Area is expected to add 628 Average Daily Trips (ADT) to Orcutt Road between Johnson and Tank Farm at buildout. |
| 5/28 | PC | pg. 5-1 | Section 5.1: Based on a preliminary traffic study prepared by the City, traffic volumes are expected to increase a moderate amount on Tank Farm Road as a result of the new development. Based on the traffic study prepared for the Program EIR, traffic volumes are expected to increase by 2,378 ADT on Tank Farm Road at buildout as a result of the new development. |
| 5/28 | PC | pg. 5.2 | Policy 5.1.e: Delete the final two sentences of this policy as follows: For those improvements that are project specific, applicants for projects within the Specific Plan area shall pay fees, prepare, and submit necessary plan specifications for improvements in compliance with City standards. Projects funded by the TIF program include Orcutt Road widening between Broad Street and Laurel Lane, a grade-separated crossing at the UPRR just west of Laurel Lane, Broad and South Street intersection, Broad Street and Tank Farm Road intersection, Orcutt Road and Johnson Avenue intersection and Orcutt Road and Tank Farm Road intersection. |
| 5/28 | PC | Figure 5.2A and 5.2B | Amend figures so that the bike path shown on the right-hand side of the diagram is located on the opposite side of the 8’ parking lane, as it is correctly shown on the left-hand side of the diagram. |
| 5/28 | PC | Figure 5.6 | This figure references Figure 3.1 as it relates to the street section for the mixed-use area at the “A”/“B” Street intersection. The reference to Figure 3.1 should be eliminated because the figure does not provide any detailed information on the street section in this area. A new figure should be added into Chapter 5 to provide guidance on the street section in the mixed-use area. |
| 5/28 | PC | Page 5-13 | Program 5.3.1: “E” Street should have Class III bike lanes. The addition of Class II bike lanes onto this local street would require the street to be unnecessarily wide. |
| 5/28 | PC | Page 5-16 | Policy 5.5.8: This policy should be numbered 5.5h. |

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| 5/28 | PC | Page 5-16 | Program 5.5.3: The last sentence of this policy should be deleted. The draft OASP includes a bridge over the railroad tracks at Industrial Way that would also be used by bicyclists and pedestrians to access Broad Street and Marigold Center. |
| 5/28 | PC | Page 5-16 | Section 5.6: This section should be modified to include policy support for reduced width streets, where acceptable to the Fire Marshall and Public Works Director, to insure that the density of development anticipated in the specific plan can be achieved. Modifications to City standards could be approved on a case by case basis during the subdivision review process to exceptions for reduced width streets. Street width can be reduced by removing on-street parking, using Class III instead of Class II bike lanes, using alleys to access on-site parking, reducing sidewalk and parkway widths and by creating private streets. |
| 5/28 | PC | Page 5-13 | Add new policy 5.3.c: Alleys are encouraged to facilitate access to residential lots and to improve the appearance of local streets. Add new Program 5.3.2: Where private alleys are desirable to improve access to residential lots, allow the area of alley to count towards net site area for determining allowable density. |
| 5/28 | PC | Chapter 6 | The Planning Commission accepted the changes recommended by the Utilities Department, presented as Attachment 6 to the 5/28 agenda report. |
| 5/28 | PC | Page 7-1 | Section 7.2: The last sentence should be deleted because the City Fire Department manages engine company resources City-wide to insure safe and effective emergency services. No different standard or service would be provided to the Orcutt Area, so there should be no specific direction in the draft OASP regarding the size of engine companies. |
| 5/28 | PC | Page 7-1 | Policy 7.2.1: The Safety Element defines defensible space as “accessible space free of highly combustible vegetation and materials.” (Policy S 2.2 D, General Plan Digest Numbering) (Safety Element Policy 3.1). |
| 5/28 | PC | Figure 5.1 and Page 5-13 | New Program 5.3.3: “E” Street may be developed with a loop configuration instead of a cul-de-sac, subject to a detailed evaluation of the intersection locations with Orcutt Road during the Subdivision Review process. |
| 3/27 | BAC (BAC rec’s approved by PC on 5/28) | Figure 5.1 | The BAC recommended that the east/west Class I bike path should not intersect Orcutt Road at a mid-block location. The Planning Commission provided direction to the applicant to include a note that the final alignment of the path will be determined at the time of future subdivisions. The Commission approved the concept of having a separate bike path connecting new subdivisions to the Neighborhood Park. |

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| 3/27 | BAC | Figure 5.1 | The BAC recommended a new alignment for the Class 1 bike path between “C” Street and the neighborhood park. The path should follow an alignment along the back of the school site and shared park/school facility so that it intersects “C” Street along a straight-away, as opposed to on a curve as is now shown on Figure 5.1. |
| 3/27 | BAC | Figure 5.1 | The BAC recommended eliminating the Class II bike lane designation (Figure 5.1) from the traffic circle, because traffic circles do not accommodate bike lanes. |

Orcutt Area PFFP Brief

On June 25, 2008, eight Orcutt Area property owners submitted several questions and concerns to the Planning Commission in response to the City's publication of a Public Facilities Financing Plan (PFFP) for the Orcutt Area Specific Plan (OASP). City staff has scheduled a follow-up meeting with these property owners on August 28, 2008, to discuss these issues.

Issues Summary

Funding gaps associated with the PFFP are problematic. Gaps are created when certain public improvements and land dedications are required before adequate fees have been collected to cover those costs. This creates a need to finance these costs, adding to the expense of the overall development. Fees are collected at the time building permits for housing units are issued. As a result, City staff is working diligently to identify ways to adjust the phasing program so that more fees can be collected (permits issued) before costly public improvements and land dedications are required.

Owner Concerns

Following are very brief responses to the owner's questions. These are provided as a summary of the City's strategies to deal with the concerns as expressed.

Question 1: The PFFP anticipates that we will compensate the dedicating property owner millions of dollars in 2009 to purchase parkland from them for the project. Who determined this property evaluation and why would this be enacted so soon before development even commences? Will the funding through a Mello-Roos Community Facilities District (CFD) be collateralized by our Orcutt property? Who agreed that our property would even be available for a CFD? We have never discussed this issue. Why are there no options offered to meet our individual parkland requirements that could bypass the need for a CFD?

Response: Land dedications are required for parkland, the regional detention basin and the affordable housing site. The value of the land varies for each of these facilities. City staff has contracted with Schenberger, Taylor, McCormick and Jecker, real estate appraisers, to verify the land values assigned in the PFFP. A value of \$500,000 per acre was verified as a reasonable assumption for "partially entitled" land that could otherwise be developed with low-density residential development. The detention basin land does not have significant development potential and is valued at \$250,000 per acre. In order to make this a feasible component of the PFFP, City staff is suggesting to the property owner that compensation for land dedications beyond their fair share requirement would occur over time, as fees become available. As such, the \$500,000 per acre value would represent an average value for the property over time. In other words, the value of the

land is expected to be less than \$500,000 per acre when the first unit is built, and more than \$500,000 per acre when the last unit in the Orcutt Area is built. The value assigned in the PFFP would be assumed to represent an average value over time, which is supported by the appraiser's report. This approach would eliminate a full 2/3rds of the first year funding gap currently identified in the PFFP. A CFD (Community Facilities District) is not being pursued as a feasible option for financing public improvements or land acquisition in the Orcutt Area. It is discussed in the PFFP as an option, but property owner approval is required to establish these types of property tax-based funding mechanisms and there are currently no other CFD's in the City.

Question 2: The PFFP (Charts 14 & 15) appears to anticipate that we could be paying for roads/bridges through a neighbors property and they appear to be quite costly due to geographical constraints, topography, hydrology, and etc. What is this about? There has been no clarification or explanations to promote any other understanding at this point.

Response: There are three bridges included in the PFFP because the bridges are necessary to provide road access to the internal portions of the Orcutt Area. Although the streets are considered in-tract improvements, the bridges themselves are a shared cost because the entire Orcutt Area would benefit equally from their construction. The affected property owners are Parsons, Jones, Gray and Maddalena. The bridges can be taken out of the PFFP and separate reimbursement agreements can be pursued at the time the bridges are constructed. Or, the City can determine that the bridges are simply in-tract improvements and no reimbursement would be provided to those property owners who construct these facilities. The City believes the bridges are a benefit to the entire Orcutt Area in relation to the number of residential units allowed on each property, which is why the cost has been allocated in this fashion. No change is currently proposed. Continued feedback and discussion of this item is desirable.

Question 3: The PFFP dictates that we are to participate in the project's parkland, school, drainage, and low income housing proposals and to reimburse for dedicated land for these improvements. None of us became a part of the Specific Plan knowing that we would be committed to purchasing and reimbursing another for their property.

Response: The land values assigned in the PFFP are assumed to be an average value for low-density residential land over the build-out horizon of the Orcutt Area. The assignment of low-density residential land values for the parkland is a significant benefit to property owners that have higher density zoning on their property. If property owners had to use their high density residential land for parks, fewer units could be constructed and the

cost of the parkland would increase for everyone involved. City policy requires development to pay its fair share. The owners who are dedicating land for these facilities are only being reimbursed for the value of the land that exceeds their fair share portion.

Question 4: The PFFP offers no options. Property owners have no choices to meet public facility requirements on their own property if such is so desired and feasible.

Response: This process takes advantage of the economies of scale offered by the largest land owner in the Orcutt Area, and the City's need for operational efficiency of these facilities. The regional detention facility, for instance, allows for higher residential density throughout the specific plan area than would otherwise be possible if every subdivision had to include its own detention basin. The park is located to serve as a central feature of the plan – it provides more utility than would many small parks scattered throughout the Orcutt Area, and can be maintained more efficiently as a single facility. The low-income housing site insures that a critical housing need is met in a manner consistent with General Plan Housing Element policy. These decisions regarding shared facilities have been made by City staff with an eye towards taking advantage of available land resources and sharing total costs in an equitable manner.

Question 5: The PFFP has unreasonable unit costs and is very confusing as to what is the total unit cost.

Response: The City is working to reduce the total costs associated with public facilities, which will reduce the unit cost accordingly. Table ES-2 provides a summary of the total unit costs, per unit and per acre. The Planning Commission will be looking at each facility cost in the PFFP the next time they review the plan, and may make recommendations to the City Council that reduce the overall cost burden allocated to the Orcutt Area. Property owners should direct their specific concerns on cost sharing for facilities in the PFFP to the Planning Commission so that the recommendation made to the City Council can reflect those concerns.

Question 6: The PFFP calls for the construction of a 4 million dollar bicycle overpass to be built at the sole expense of the OASP property owners – since it's inception the bridge has never been acceptable. We are not the sole beneficiaries. The bridge is a visual impact.

Response: The Orcutt Area is clearly not the sole beneficiary of the bridge. Public testimony from users in other neighborhoods in support of the bridge has been substantial. The Orcutt Area is currently assigned 100% of the cost of the facility because if it were not for Orcutt Area development, there would be no need to construct the bridge. There are many community facilities, such as Tank Farm Road, Broad Street, Prado Road, the Damon-Garcia Sports Fields and other facilities that the Orcutt Area will use that they are not responsible to pay for. The Planning Commission will make a

recommendation to the City Council regarding the fair share percentage that should be allocated to the Orcutt Area for the bridge. Property owners should continue to discuss this issue and ask the Planning Commission to reduce the Orcutt Area's fair share percentage, so that the Commission's recommendation to the Council can reflect these concerns. In addition, alternatives to the proposed steel bridge that are less expensive may be considered.

Question 7: The PFFP states there is \$950,000 of processing fees to be paid by property owners yet there is not a distribution breakdown as to who receives what money and why or what services were performed.

Response: Additional information on the specific plan preparation fees will be provided to all property owners before the PFFP is finalized. It is normal for the City to recover its costs associated with specific plan preparation. The City's costs are roughly 50% of the total identified in the PFFP, as the City has split plan preparation and environmental review costs with four property owners, Parsons, Jones, Gray and Pratt. Therefore, reimbursement to those property owners is anticipated in the PFFP. The City is not required to broker reimbursement to these four property owners, but has agreed to include the costs in the PFFP for the sake of fairness and simplicity. We remain open to other solutions regarding this matter.

Question 8: Why does the PFFP use "cost per unit" instead of "cost per cubic foot" when calculating the drainage reimbursements?

Response: A per unit cost is less variable than a cost per cubic foot of run-off and therefore insures that the total cost of the basin is covered by the fee. In order to properly size and design the drainage basin to meet the requirements of the City's Waterways Management Plan and Drainage Design Manual, a run-off coefficient is used in the PFFP to relate the number of units to the overall cost of the basin. This process provides for an equitable distribution of the costs based on each property owner's demand for the basin and ability to pay. Property owners are still encouraged to reduce run-off to the greatest degree possible through best-management practices, thereby reserving capacity and insuring that the basin will be a useful resource given a changing regulatory environment.

**Orcutt Area Specific Plan
PFFP Revisions**



**Property Owners
September 10, 2008**



Overview of Concerns

- **Costs, costs, costs**
 - Pedestrian/bike bridge
 - Parkland, mitigation fee
 - Affordable housing site
 - Specific plan preparation fee
- **Phasing**
 - Address growth management
 - Defer major expenses until fees are available
- **Financing**
 - Pay-as-you-go is preferred approach
 - Changes listed above enable pay-as-you-go



Cost Reductions

- Bridge estimates
 - Recent estimates for another City bridge are in the \$900,000 to \$1,000,000 range
 - City cost sharing may be acceptable to the Planning Commission/City Council
- Parkland
 - Majority of owners in the OASP do not support estimate of future value. Owners may support current market value estimated at approximately \$300,000/acre.



Cost Reductions

- **Parkland Mitigation Fee**
 - If additional parkland is provided, then the parkland mitigation fee can be eliminated
- **Affordable Housing Site**
 - Majority of owners appear willing to provide their own low-income sites to better integrate these units into the neighborhood. Fee can be eliminated from program. Policy amendments to OASP required.

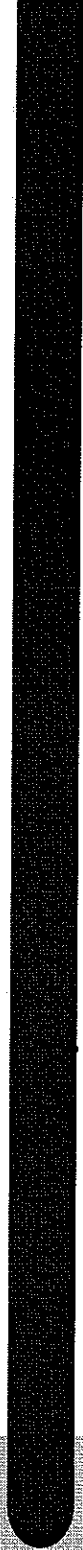


Cost Reductions

- Specific Plan Fee
 - City was under the impression that there was an understanding between the property owners regarding reimbursement
 - There does not appear to be an agreement and the City cannot require the other owners to reimburse your plan preparation expenses



Summary of Cost Reductions



OASP Fee Program Reductions

- \$13 Million in potential reductions
 - Bridge cost reduction, cost sharing
 - Parkland value reduction
 - Park mitigation fee
 - Affordable housing fee
 - Plan preparation fee
- \$13,863 per avg. unit

Infrastructure Cost Estimates

| | <u>Current</u> | <u>Potential</u> |
|------------------------------|----------------|--------------------|
| Transportation | \$5,050,000 | \$5,050,000 |
| Pedestrian and Bicycle Paths | \$4,746,000 | \$2,246,000 |
| Storm Drainage | \$1,460,000 | \$1,460,000 |
| Parks and Recreation | \$11,110,000 | \$8,318,000 |
| Subtotal | \$22,366,000 | \$17,074,000 |
| Potential Reduction | | \$5,292,000 |

Other Costs

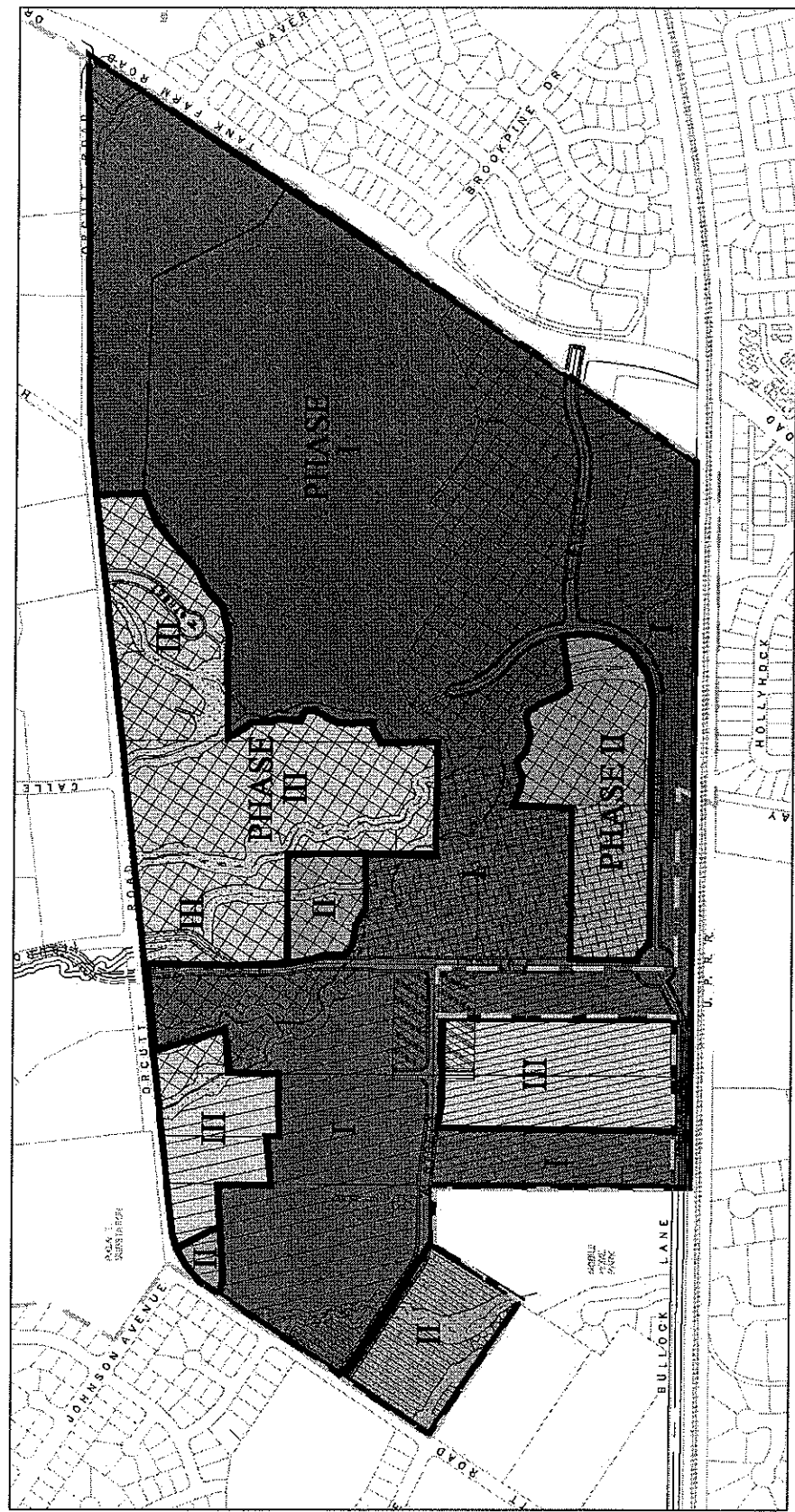
| | | |
|----------------------------|-------------|--------------------|
| Park Mitigation Fee | \$4,800,000 | \$0 |
| Affordable Housing Fee | \$2,448,070 | \$0 |
| Specific Plan and EIR Fee | \$950,000 | \$500,000 |
| Subtotal | \$8,198,070 | \$500,000 |
| Potential Reduction | | \$7,698,070 |

| | | |
|----------------------------------|--------------|---------------------|
| Total Costs | \$30,564,070 | \$17,574,000 |
| Total Potential Reduction | | \$12,990,070 |

Average Reductions Per Unit **\$13,863**



OASP Phasing





OASP Phasing

- Changes proposed to the City's Growth Management Regulations would allow those property owners that have immediate access to utilities and transportation infrastructure to move forward after specific plan approval and annexation



OASP Phasing

- However, certain improvements would have to be delayed until later phases of the specific plan
- Regional detention basin
 - Interim on-site solutions
 - Use of existing facilities
- Parkland improvements
 - Defer until street improvements in place
- Water and Sewer fee credits
 - Use to fund key transportation infrastructure, such as railroad safety trail, etc.



OASP Financing

- Pay-as-you-go is the City's preferred approach
- The strategies outlined allow us to accumulate a "war chest" to pay for improvements with fees collected at the time of building permit issuance



Questions/comments?



- Contact Michael directly:
 - Phone: 781-7175 or
 - Email: mcodron@slocity.org
- <http://www.slocity.org/communitydevelopment/oasp.asp>