

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

**ITEM # 3**

**FROM:** Kim Murry, Deputy Director *KM*

**MEETING DATE:** February 27, 2008

**Prepared By:** Michael Codron, Associate Planner

**FILE NUMBER:** SP/ER 209-98

**PROJECT ADDRESS:** Orcutt Area

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**SUBJECT:** Study session to receive a presentation on the Orcutt Area Specific Plan and Draft EIR.

**SUMMARY RECOMMENDATION**

No action is recommended or required of the Planning Commission.

**BACKGROUND**

Situation

On February 12, 2008, the City Council received a presentation on the Orcutt Area Specific Plan (OASP) and accepted public testimony from Orcutt Area property owners and interested members of the public. Staff presented a public hearing schedule to the City Council that shows dates of when the various City advisory bodies to review the OASP to make recommendations to the Planning Commission (Attachment 1). The goal of the process is to create a Planning Commission Draft of the OASP that can be recommended for approval to the City Council later this year.

The Planning Commission's first meeting on the OASP is intended to provide an overview of the OASP, the Draft EIR and the process for developing a new draft of the Plan. Public notice of the hearing was sent to over 600 neighboring residents and property owners. The Planning Commission is urged to accept public testimony at the meeting, but no action or decisions are required or recommended at this time.

Brief History of the OASP and EIR Process

The City's General Plan has identified the Orcutt Area as a residential expansion area since the 1970's. The current boundaries of the Orcutt Area were established with the 1994 Land Use Element Map. Land Use Element Policy 1.12.3, also adopted in 1994, says that no portion of the Orcutt Area may be annexed before a specific plan is prepared for the whole expansion area.

In the late 1990's, certain property owners within the Orcutt Area began working with Andrew Merriam, a local planner and architect, to prepare a specific plan to guide future development. An application was submitted to the City in December, 1998, and the City hired a planning consultant, Rincon Consultants, to help process the specific plan.

During the first few years, the consultant and City staff worked with the property owners in the Orcutt Area that were willing to participate to try to develop consensus over land use issues and development costs. After many revisions, a revised draft of the specific plan was prepared in 2002, which was accepted by the majority of property owners and the City Council as the project description for environmental review.

In 2003, the City Council authorized a scope of work for an environmental impact report (EIR) and agreed to share the cost of preparing the EIR with the applicants. Rincon Consultants, Inc., was selected as the EIR consultant and the Planning Commission held a public scoping meeting on February 19, 2004, initiating the EIR preparation process.

#### 2005 Environmental Studies Workbook and OASP Update

In 2005, the OASP DEIR was near completion when changes were made to the Urban Reserve Line (URL) as part of the adoption of the Airport Area Specific Plan. When the URL was changed, the City's traffic model was updated to include traffic generated by urban land uses on the Avila Ranch property along Buckley Road. Once the traffic model was updated, it was determined that the OASP traffic study would also need to be updated to insure accurate results for area intersections and roadways, such as the Tank Farm/Broad intersection.

It took approximately one year for a new traffic study to be prepared. During this time, the City and property owners used the unexpected downtime to update the OASP based on all of the environmental studies that had been completed. The intent was to create a self-mitigating specific plan. In other words, it is staff's intent to insure that all of the mitigation measures identified in the DEIR are also reflected in the goals, policies, programs and standards of the OASP. Certain mitigation measures that are too detailed for the body of the specific plan document are listed in Appendix C of the OASP.

## **EVALUATION**

The public hearing schedule endorsed by the City Council includes hearings before the following City advisory bodies:

- Parks and Recreation Commission
- Bicycle Advisory Committee
- Cultural Heritage Committee
- Architectural Review Commission

In addition to these advisory bodies, the OASP and Draft EIR have been forwarded to various public agencies at the State and local level for comment. These agencies include:

- County of San Luis Obispo Airport Land Use Commission
- County of San Luis Obispo Planning Department
- County of San Luis Obispo Agricultural Commissioner's Office
- San Luis Obispo Air Quality Control District
- Regional Water Quality Control Board
- Cal Trans
- San Luis Obispo Council of Governments

- SLO County Local Agency Formation Commission
- San Luis Obispo Unified School District
- Native American Heritage Commission
- Governor's Office of Planning and Research, State Clearinghouse

Comments and recommendations made during the various advisory body hearings will be forwarded to the Planning Commission for consideration. In addition, any comments or recommendations submitted by the various agencies listed above will be reported to the Commission during future public hearings. The intent of the process is to insure that the Planning Commission has input from many sources, including members of the public, as the process of preparing a recommendation to the City Council moves forward.

### Overview of the Orcutt Area Specific Plan: Key Issues

#### *Generalized Project Description*

The Orcutt Area is located in the unincorporated county, southeast of and adjacent to the City limits. The 230 acre area is bounded on three sides by the existing city limits, with Tank Farm Road to the south, Orcutt Road to the east and north, and the Union Pacific Railroad (UPRR) to the west (Attachment 2, Vicinity Map). There are currently 21 parcels, with thirteen different property owners, in the Orcutt Area.

The OASP includes policies and programs that will guide future annexation and development of the area in a manner consistent with the General Plan, as required by state law. It calls for open space, park, residential, and mixed residential and commercial land uses (mixed-use development) as well as associated roads and multi-use pedestrian/bike paths. A potential site for a school is also identified. Residential development would take up approximately half of the total area, open space and recreation approximately 45%, and the remaining land would be developed with mixed-use and public facilities. At full buildout the plan provides for 979 homes. The OASP contains detailed information on the acreage and location of each use, but since the exact size of future parcels cannot be determined at the specific plan level, these numbers have been generalized (Attachment 3, Land Use Summary).

#### *Specific Plan Features*

Some of the key features of the OASP include dedication of the Righetti Hill open space, including trail access from the neighborhood park; extension of the Railroad Safety Trail between Orcutt Road and Tank Farm Road; a centralized commercial core located across the street from the park and school site; a variety of housing types with 75% of the units planned to be in the form of duplex or other multi-family configuration; policies that require about 150 deed-restricted affordable dwelling units to be constructed within the Orcutt Area; guidelines to create a cohesive neighborhood character through the design of public and private improvements; a regional drainage solution; plans for transit to serve the neighborhood; and a pedestrian and bike bridge that would connect the Orcutt Area to Industrial Way and to the Broad Street corridor, including the Marigold Center.

### *School Site Issues*

The location of the school site has been the subject of many meetings with School District staff as the OASP has been refined. The plan shows the 4.62-acre site located west of the neighborhood park, with a shared school/park facility located between the school and the railroad tracks (Attachment 4, Neighborhood Park/School Plan). Consultations with the San Luis Coastal Unified School District indicate that the proposed location is preferred to previously proposed sites (Attachment 5, SLCUSD correspondence).

### *Parkland Issues*

The Parks and Recreation Element says that residential annexation areas shall dedicate ten acres of parkland per 1,000 residents, with five acres per 1,000 residents to be developed as a neighborhood park (Parks and Recreation Element Policy 3.15.3). Average household size in the City is 2.198 people, and the Orcutt Area is expected to accommodate between 892 and 979 units, or between 1,960 and 2,198 people. Therefore, the specific plan is required to dedicate between 19.6 and 22 acres of parkland with approximately 11 acres developed as a neighborhood park. The OASP includes a program to develop a 12.39 acre neighborhood park, with additional qualifying parkland, such as portions of the regional detention basin.

The Specific Plan identifies a total of 20.72 acres of parkland (Attachment 3), however, additional analysis and decision making is necessary to determine if the proposed parkland dedications meet all of the applicable City policies and standards. For instance, the OASP currently identifies 1.55 acres of playgrounds within multi-family developments in the parkland total. According to the Subdivision Regulations, such private recreation facilities may be counted towards meeting the City's parkland requirements, with City Council approval. However, unless these facilities are open to the general public, they would not meet the intent of the policy.

In addition, some acreage that would normally count towards the total parkland acreage, such as the area of the planned trail to the top of Righetti Hill, is not factored into the OASP land use summary for parkland.

City staff and the applicants will continue to work through this issue and hope to develop a recommendation on the parkland issue when the Parks and Recreation Commission meets to discuss this and other park related issues on March 5, 2008. This information will be forwarded to the Planning Commission during a future meeting for discussion and resolution.

### *Urban Reserve Line*

The 2002 draft of the OASP showed a modification to the Urban Reserve Line (URL) to include all of the Orcutt Area. However, the plan was revised to keep Righetti Hill outside of the urban area, as defined in the General Plan. The Public Hearing Draft of the OASP is consistent with Figure 2 of the Land Use Element (Urban Reserve and Principal Expansion Areas) with the exception of approximately 7 acres of land on the northeast edge of the open space area that is designated in the specific plan for low-density residential. A modification to the URL in this location is one of the General Plan amendments requested by the applicants that will be evaluated during the public review process.

### *Affordable Housing*

Section 3.3 of the OASP includes goals, policies and programs for implementing the General Plan Housing Element in the Orcutt Area. OASP Policy 3.3.1 establishes a requirement that all of the affordable housing required by the City for expansion areas (5% low income units plus 10% moderate income units for a total of about 150 units) shall be met by building the affordable units on-site, within the Orcutt Area.

The low income unit requirement would be met through dedication of improved land (with curb, gutter, sidewalk, street paving and utilities installed) to a City-approved affordable housing developer. The moderate income unit requirement would be met by requiring each subdivision in the Orcutt Area to construct a minimum of 10% of the proposed units for moderate-income households.

### *Public Facilities Financing Plan*

The City has recently contracted with Goodwin Consulting Group to prepare a Public Facilities Financing Plan for the OASP. The plan will become Chapter 8 of the specific plan document. The plan will evaluate the financial feasibility of all of the public improvements identified in the OASP and DEIR, and will recommend a fee program to insure that the costs of these improvements are equitably distributed to the property owners in the Orcutt Area. The PFFP will also identify financing mechanisms that would be available to the owners and developers of the Orcutt Area, such as assessment districts and reimbursement agreements.

### Draft EIR Overview and Public Comment Period

The DEIR is a public, informational document that analyzes the environmental impacts of development envisioned by the OASP. State law requires the City to establish a 45-day public review period for the DEIR. During this time, public comments regarding potential environmental impacts that are made during public hearings or in writing to City staff are considered. After the public comment period closes, a Final EIR is prepared, which includes responses to all of the public comment made during the 45-day review period.

Presently, there are two sections of the DEIR that are being updated, the Agricultural Resources section and the Water/Wastewater section. An mathematical error was discovered in Land Evaluation and Site Assessment Model used to determine if the project has an impact on agricultural land, including prime soils. The Water/Wastewater section is being updated with the 2007 Water Resources Status Report. The new sections will replace the old sections when they become available and prior to the commencement of the public comment period on the DEIR.

The 45-day period for the OASP DEIR is now proposed to begin on March 5, 2008. The Planning Commission is scheduled to hold a public hearing to accept public comment on the DEIR on March 26, 2008. At the Commission's discretion, this hearing may be moved to the April 9<sup>th</sup> agenda so that it can be the sole item heard by the Commission on that date. An agenda forecast will be provided to the Commission during the meeting.

### Class I Impacts

The DEIR identifies four impacts that are considered Class 1, significant and unavoidable, in the areas of aesthetics, air quality and noise. These impacts are summarized under the headings below. All other impacts identified in the DEIR are able to be mitigated to a less than significant level.

#### *Aesthetics*

Two significant and unavoidable impacts occur in the area of aesthetics because of the change of land use from rural to urban. One impact is caused by changes to the viewshed from Orcutt Road and Tank Farm Road, and another impact arises because of the project's affect on the aesthetic character of the site itself, including impeded views of Righetti Hill.

#### *Air Quality*

The OASP is consistent with the population assumptions of the City's General Plan and the Air Pollution Control District's Clean Air Plan (CAP). However, the OASP includes a low-density residential area of approximately 27 single-family homes outside of the current URL boundary. The CAP encourages development to occur within the URL of cities, therefore, the project is inconsistent with the CAP and a significant and unavoidable impact is identified.

#### *Noise*

The noise related impacts associated with specific plan development are considered significant and unavoidable. Development of the Orcutt Area will contribute to noise levels on surrounding streets, such as Orcutt Road, Tank Farm Road and Johnson Avenue, which already exceed the noise exposure standards established in the Noise Element of the City's General Plan. The DEIR concludes that development of the Orcutt Area will contribute further to noise levels that already exceed standards, and while mitigations have been included in the OASP, the impact is considered unavoidable.

Noise Element Policy 1.10 provides direction for when cumulative increases in noise levels resulting from new development significantly impact existing noise-sensitive land uses. Under these conditions, City policy recommends consideration of the following mitigation measures:

1. Rerouting traffic onto streets that can maintain desired levels of service, consistent with the Circulation Element, and which do not adjoin noise-sensitive land uses.
2. Rerouting trucks onto streets that do not adjoin noise-sensitive land uses.
3. Constructing noise barriers.
4. Lowering traffic speeds through street or intersection design methods (see also the Circulation Element).
5. Retrofitting buildings with noise-reducing features.
6. Establishing financial programs, such as low cost loans to owners of noise-impacted property, or establishment of developer fees to pay for noise mitigation or trip reduction programs.

Section 4.5 of the OASP discusses noise and addresses noise on surrounding streets, including Orcutt Road and Tank Farm Road. Johnson Avenue must also be addressed in this section of the specific plan.

### Class II Impacts

Class II impacts are those that are considered potentially significant, but that can be mitigated to less than significant levels with the incorporation of specific mitigation measures that are outlined in the DEIR. The following discussion provides an overview of the Class II impacts in the areas of Traffic/Circulation and Biological Resources.

#### *Traffic/Circulation*

Several required transportation projects, both on-site and off-site, are identified in the DEIR. These projects include improvements to major intersections such as Orcutt/Johnson, Tank Farm/Orcutt, Laurel/Orcutt, and South/Broad. The costs associated with all of the off-site and on-site transportation improvements identified in the DEIR have been estimated by Wallace Group, who was retained by the City and the property owners jointly to prepare cost estimates for the proposed projects. These cost estimates will serve as the basis for the fee program that is being developed by Goodwin Associates as part of the Public Facilities Financing Plan.

Some of these projects include: widening Orcutt Road to four lanes between Johnson and Laurel; installing a traffic circle at the Johnson/Orcutt intersection; installing a continuous two-way turn lane on Orcutt Road; realigning and signalizing the Orcutt/Tank Farm intersection; installing a pedestrian bike/ped bridge at Industrial Way; extending the Railroad Safety Trail from Orcutt to Tank Farm, including a new bridge over Tank Farm that would be attached to the existing bridge.

#### *Biological Resources*

The DEIR is a *program level* environmental impact report. With respect to biological resources this means that the potential effects of the project are analyzed and the DEIR establishes a method that all future development must follow to insure that potential site specific impacts are addressed. For instance, buildout of the OASP has the potential to impact both plant and animal species endemic to the area. The DEIR establishes study requirements and mitigation responsibilities that would apply to future development on a case by case basis, depending on whether or not the resources are present on the particular site of a proposed subdivision or development project. The DEIR establishes a program for mitigating impacts to biological resources that is very similar to the program approved for the Margarita Area and Airport Area Specific Plans.

### Neighborhood Center Alternative

When the City Council authorized the preparation of the DEIR, it also authorized funds for an alternative land use plan to be prepared for the Orcutt Area. The City and Orcutt Area property owners shared costs for Stephanos Polyzoides (Moule and Polyzoides, Inc.) to prepare the Neighborhood Center alternative plan (Attachment 6), which is analyzed in Section 8.2 of the DEIR. From an environmental perspective, the Neighborhood Center plan is considered inferior

to the proposed specific plan because of increases in noise, traffic, and water demand, and reduced airport compatibility.

#### Other Environmental Impacts

Other issue areas covered in the DEIR include cultural resources, public safety, public services, water/wastewater, drainage and water quality, geologic hazards, agricultural resources, growth inducing impacts, cumulative impacts and global climate change.

#### General Plan Amendments and Annexation

In addition to adoption of the specific plan and certification of the EIR, the current process will potentially include at least two amendments to the General Plan, and annexation of the entire Orcutt Area. The amendments needed to accommodate the current draft of the specific plan are listed below:

- Amend Figure 2 of the Land Use Element to modify the Urban Reserve Line at the northwest corner of the Righetti Hill open space area to allow for approximately 7 acres of low-density residential development (Attachment 7)
- Amend Table 3 of the Land Use Element to reflect the residential capacities included in the Margarita Area and Orcutt Area plans (Attachment 8)

#### **ALTERNATIVES**

1. The Planning Commission can direct changes to the proposed public hearing schedule, if specific dates or special meetings are desired other than those shown in Attachment 2.
2. The Planning Commission can direct staff to return the Commission with specific additional information on the OASP or DEIR. This alternative is not recommended because at least three public hearings before the Planning Commission are scheduled for the future and additional meetings can be scheduled at the Commission's discretion.

#### **ATTACHMENTS**

1. Proposed Public Hearing Schedule
2. Vicinity Map
3. Land Use Summary
4. Neighborhood Park/School Plan
5. SLCUSD correspondence
6. OASP "Neighborhood Center" alternative plans
7. Land Use Element Figure 2
8. Land Use Element Table 3

#### **Additional Background Information:**

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



Activity Name	Start Date	Finish Date	2008								
			January	February	March	April	May	June	July		
<b>OASP Hearing Schedule</b>											
Publish Draft EIR	1/10/08	1/10/08	◆								
Property Owner Kick-Off Meeting	1/16/08	1/16/08	▼								
45-Day Review Period on DEIR	3/5/08	4/21/08			↔						
City Council Kick-Off Meeting	2/12/08	2/12/08	▼								
ALUC Hearing 1	2/20/08	2/20/08	▼								
PC Intro to OASP	2/27/08	2/27/08	▼								
Chapter 9 - Finance (Goodwin)	1/10/08	3/21/08			○						
Develop PC Draft of Plan (Public Hearings)	2/27/08	7/25/08			■						
Parks and Recreation Commission	3/5/08	3/5/08			▼						
Bicycle Advisory Committee	3/20/08	3/20/08			▼						
CHC Hearing	3/24/08	3/24/08			▼						
PC Hearing (DEIR Public Comment)	3/26/08	3/26/08			▼						
ALUC Hearing 2	4/16/08	4/16/08				▼					
ARC Hearing	4/21/08	4/21/08				▼					
PC Hearing 2	4/23/08	4/23/08				▼					
PC Hearing 3 (Recommendation)	5/28/08	5/28/08					▼				
<b>Final EIR Published</b>	6/30/08	6/30/08							◆		
<b>PC Draft Published</b>	6/30/08	6/30/08								◆	
City Council Hearings	7/15/08	8/5/08									City Council Hearings
<b>Scheduled Days</b>			22.00	32.00	79.00	51.00	31.00	30.00	42.00		

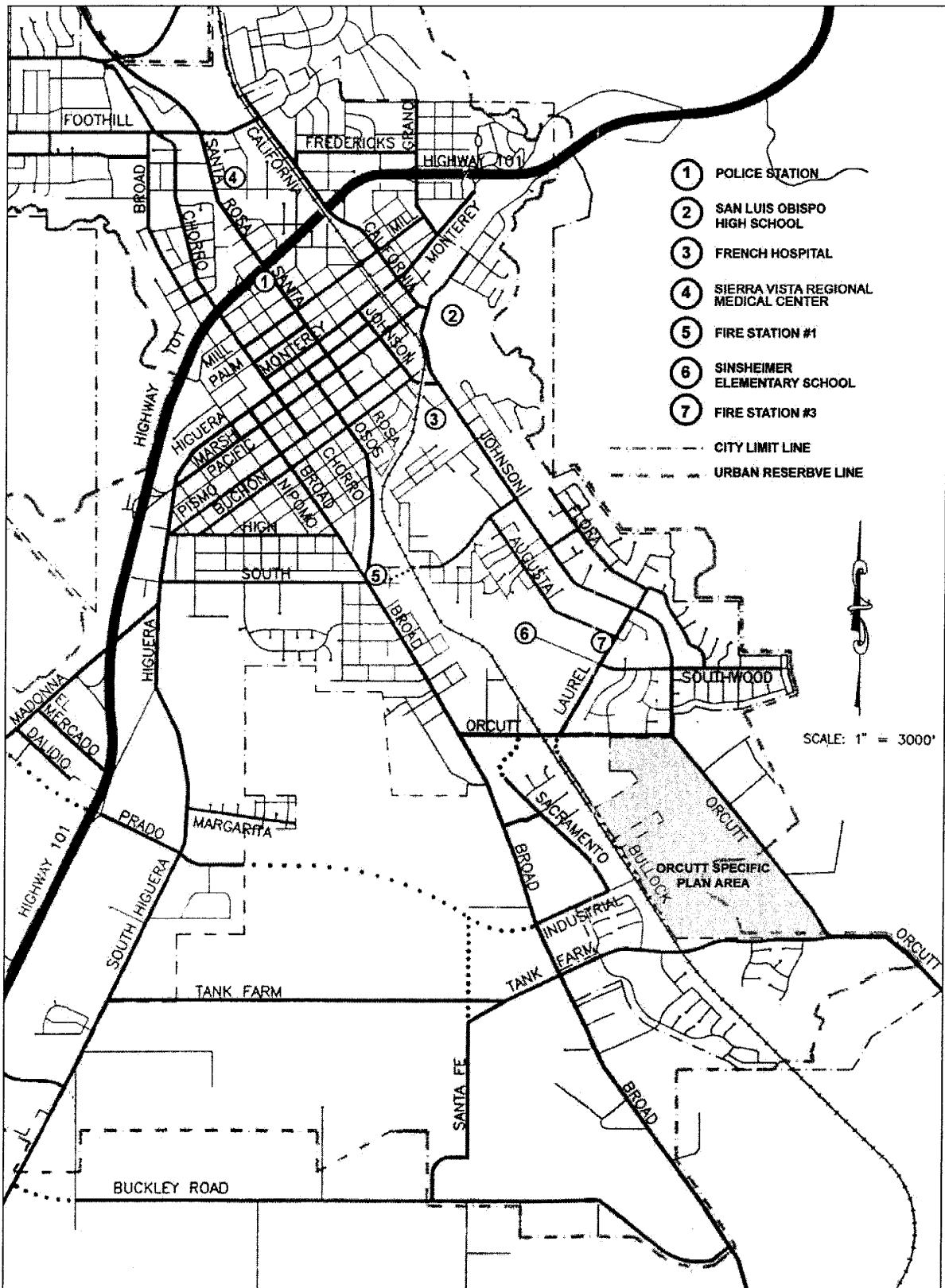


FIGURE 1.1 SITE LOCATION MAP

**TABLE 1.1 - LAND USE SUMMARY**

Land Use	Zoning	Acres	Density	Total Units	% of Orcutt Area
<b>RESIDENTIAL</b>					
<b>Low Density Residential</b> Detached single family, 5,000-15,000 sf. Lots	R-1-SP	53.29	Up to 7 du/acre <sup>2</sup>	264	23.08%
<b>Medium Density Residential</b> Detached/attached single family w/zero lot line; duplex units <sup>1</sup> Minimum lot size of 3,000 sf.	R-2-SP	31.23	Up to 12 du/acre <sup>2</sup>	276	13.53%
<b>Medium-High Density Residential</b> Multi-plex units; mobile homes and multi- family apartments <sup>1</sup>	R-3-SP	20.88	Up to 18 du/acre <sup>2</sup>	336	9.04%
<b>High Density Residential</b> Multi-family apartments <sup>1</sup>	R-4-SP	5.4	Up to 24 du/acre <sup>2</sup>	103	2.34%
<b>Subtotal</b>		<b>110.8</b>		<b>979<sup>5</sup></b>	<b>47.99%</b>
<b>COMMERCIAL</b>					
<b>Community Commercial/ Mixed Use</b>	CC-MU	2.75 <sup>6</sup>			1.19%
<b>OPEN SPACE AND RECREATION</b>					
<b>Open Space</b>	C/OS-SP	<b>81.46</b>			<b>35.29%</b>
<b>Parks</b>					
<i>Neighborhood Park (ball fields, ball courts, playgrounds)</i>	P-F-SP	12.39			5.37%
<i>Linear Park/Floodable Terrace</i>	P-F-SP	6.78			2.94%
<i>Playgrounds and greens in medium high density residential<sup>3</sup></i>	R-3-SP/ R-4-SP	1.55			0.67%
<b>Total Parks</b>		<b>20.72</b>			<b>8.98%</b>
<b>Detention Ponds</b>		<b>0.52</b>			<b>0.23%</b>
<b>PUBLIC FACILITIES</b>					
<b>Roads</b> Arterials, Collectors and major Local		<b>14.6</b>			<b>6.32%</b>
<b>TOTAL</b>		<b>230.85</b>		<b>979<sup>5</sup></b>	<b>100.00%</b>

<sup>1</sup> These types of housing reflect examples of housing types within each residential category.

<sup>2</sup> This range reflects the minimum and maximum densities for residential development.

<sup>3</sup> Playground and greens in medium-high and high density residential (R-3 and R-4) is at 0.06 acres per acre of development.

<sup>4</sup> This plan provides 20.72 acres total of active park. 19.17 acres will be zoned P-F-SP and 1.55 acres will be zoned R-3-SP/R-4-SP.

<sup>5</sup> This figure represents full development potential buildout of maximum allowed units on each property, actual development may be lower.

<sup>6</sup> This acreage is for CCMU and is expected to support 8,000 SF of retail and 8,500 SF of office space. The balance of the area will be devoted to residential in a mixed-use configuration.

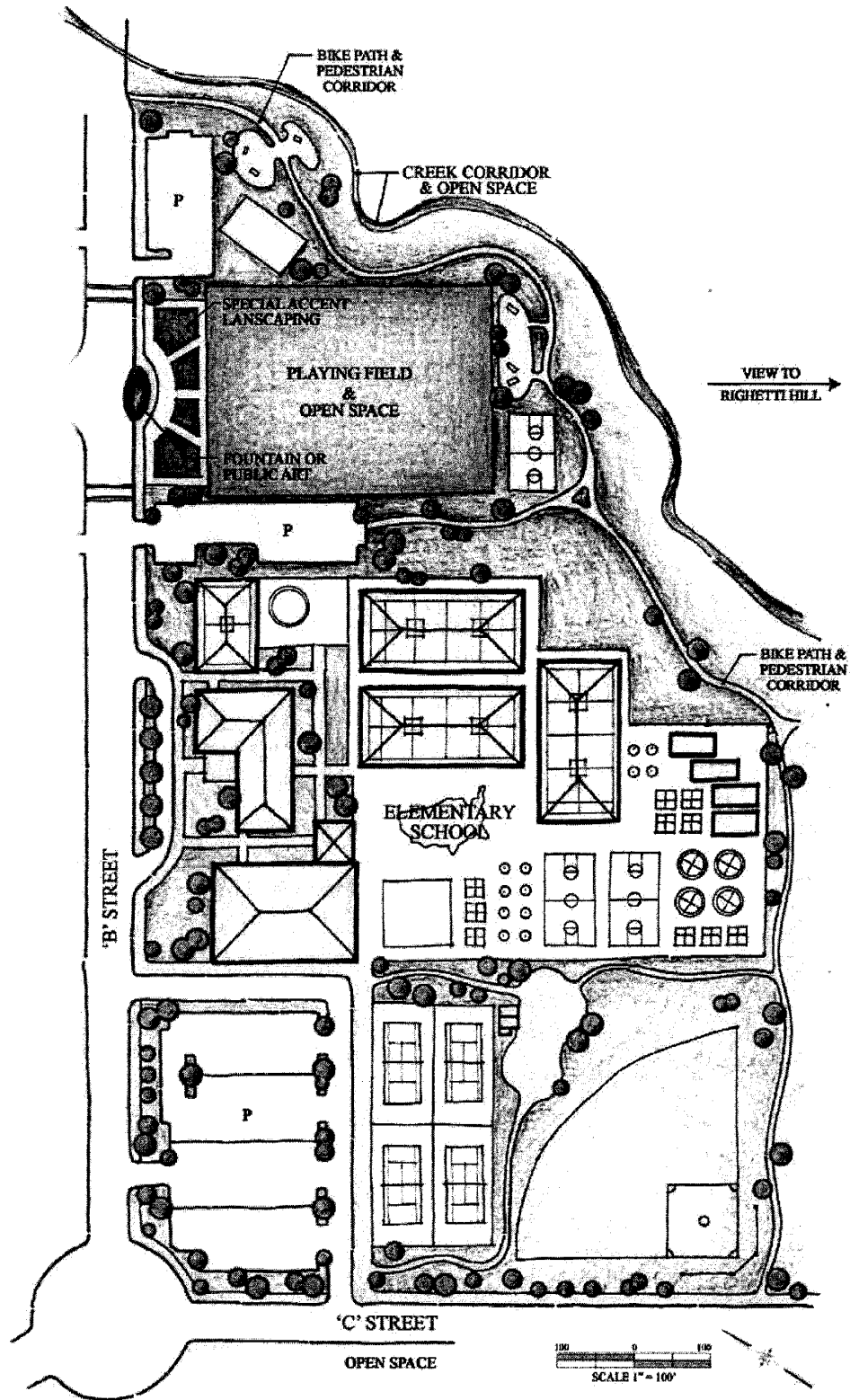


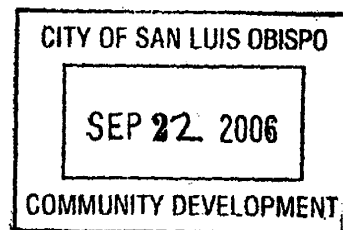
FIGURE 2.5 NEIGHBORHOOD PARK PLAN

# San Luis Coastal Unified School District

1500 Lizzie Street  
San Luis Obispo, CA 93401 -3062  
(805) 549-1200



September 19, 2006



Michael Codron, Associate Planner  
City of San Luis Obispo  
Community Development Department  
919 Palm Street  
San Luis Obispo, Ca 93401

Dear Michael,

Thank you for the opportunity to review and comment on the revised design concept for the Orcutt Area Park/Elementary School Plan. The revised site plan moves the school building about 250 feet further from the railroad tracks and is superior to the original concept plan. The California Department of Education advises that schools should not be located adjacent to hazardous areas and this revised plan does place the school building further away from the railroad tracks.






There appears to be adequate acreage to support an elementary school at this location.

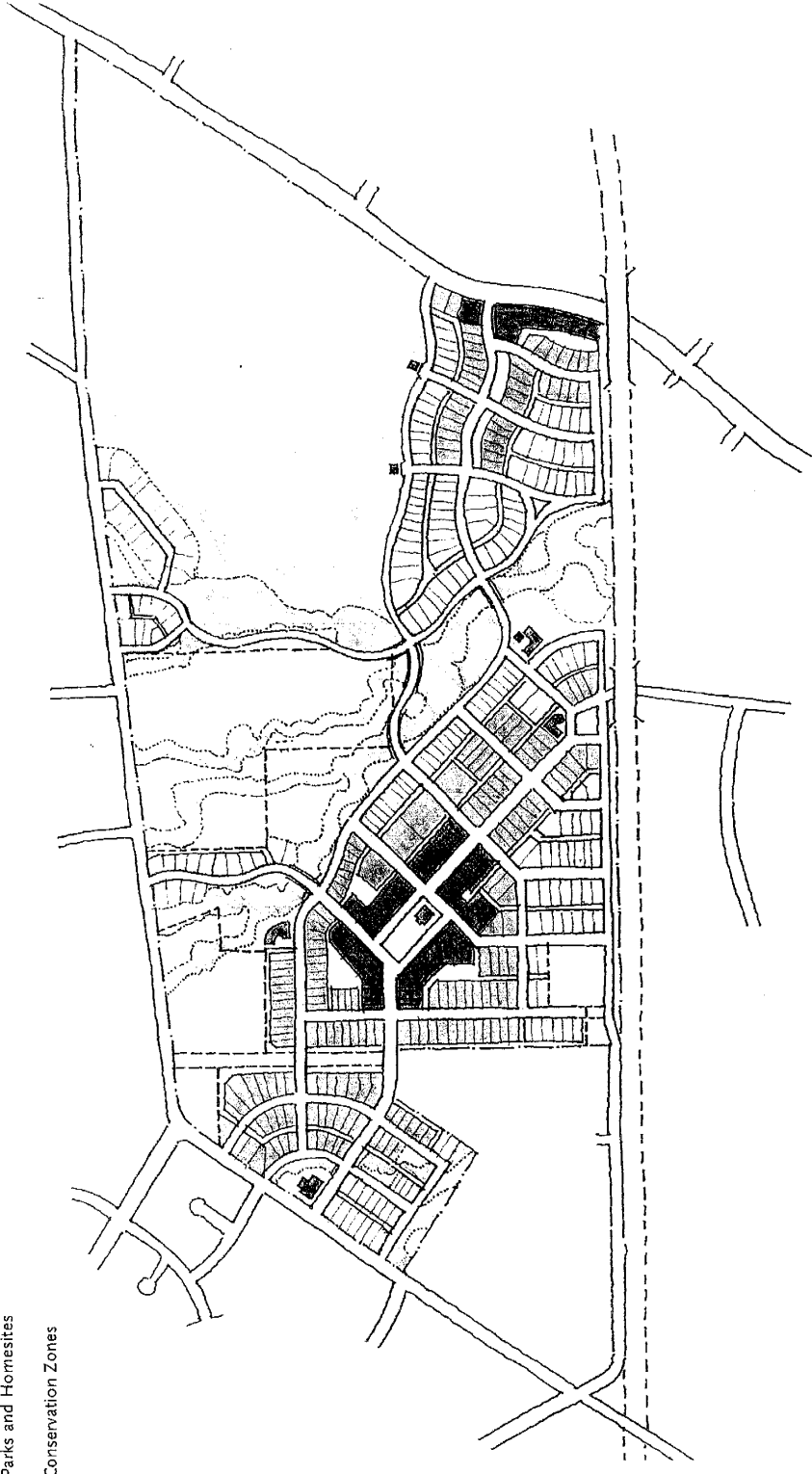
Sincerely,

Brad Parker  
Director, Facilities, Operations and Transportation

Cc: Russell Miller

**SITE PLAN  
REGULATING PLAN**

-  Neighborhood Center
-  Neighborhood General
-  Neighborhood Edge
-  Parks and Homesites
-  Conservation Zones

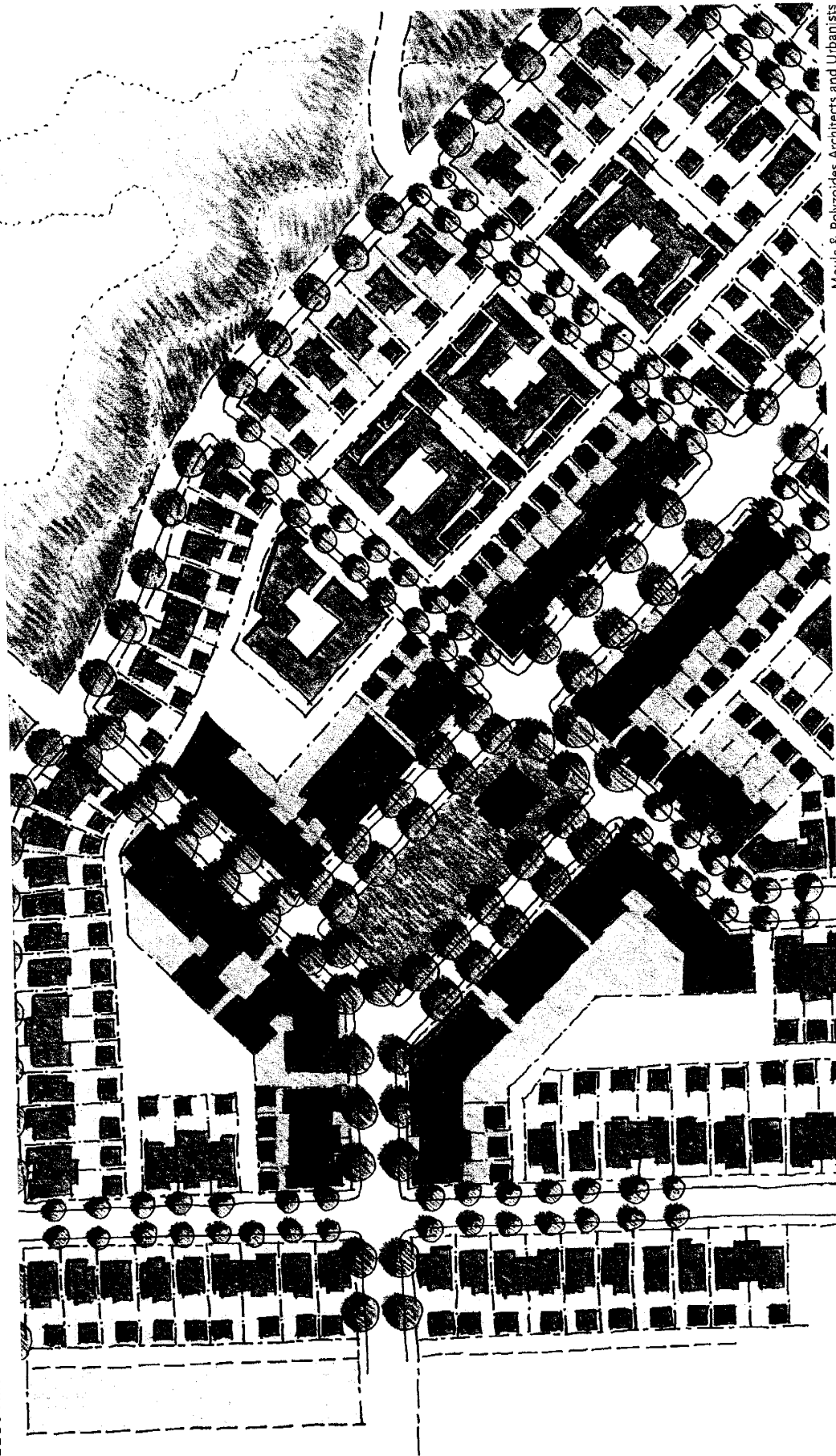


Orcutt Plan  
San Luis Obispo, California

approx. 1" = 500'

Moule & Polyzoides Architects and Urbanists  
24 June 2003

ILLUSTRATIVE PLAN - NEIGHBORHOOD CENTER DETAIL



Moule & Polyzoides Architects and Urbanists  
24 June 2003

approx 1" = 100'

Orcutt Plan  
San Luis Obispo, California

ILLUSTRATIVE PLAN - NEIGHBORHOOD GENERAL AND EDGE DETAIL



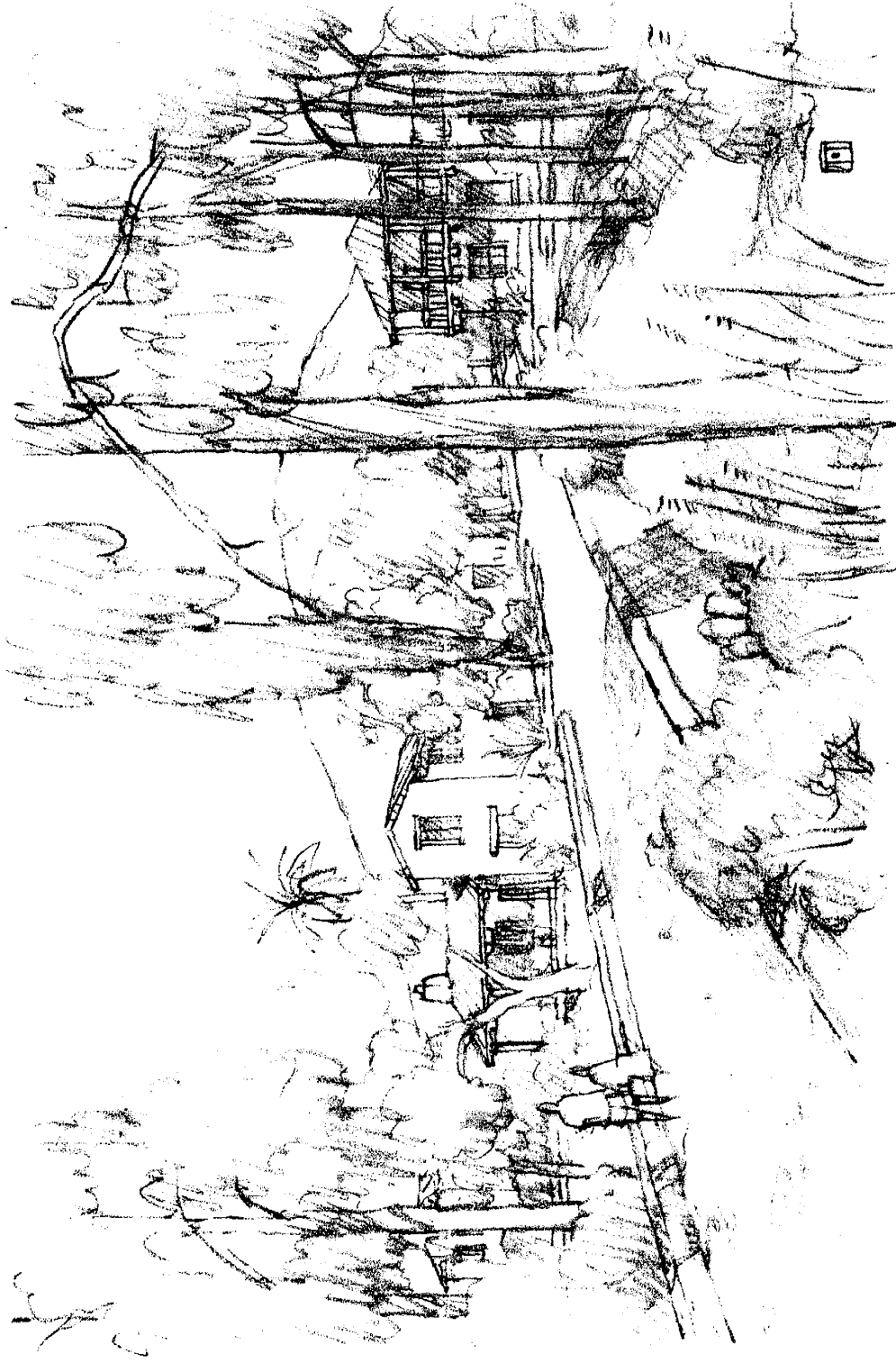
approx 1" = 100'

Orcutt Plan  
San Luis Obispo, California

Moule & Polyzoides Architects and Urbanists  
24 June 2003



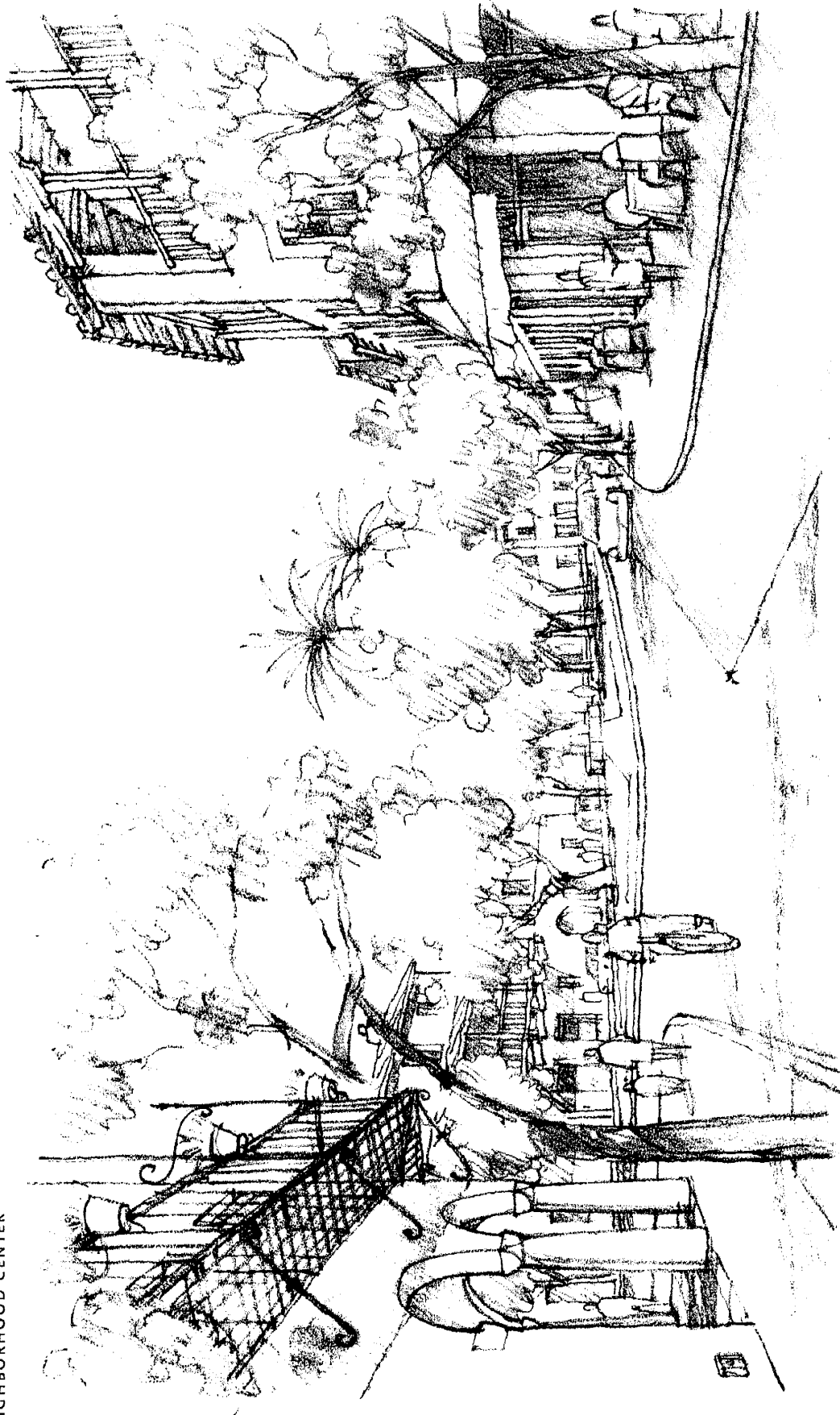
NEIGHBORHOOD EDGE



Moule & Polyzoides Architects and Urbanists  
24 June 2003

Orcutt Plan  
San Luis Obispo, California

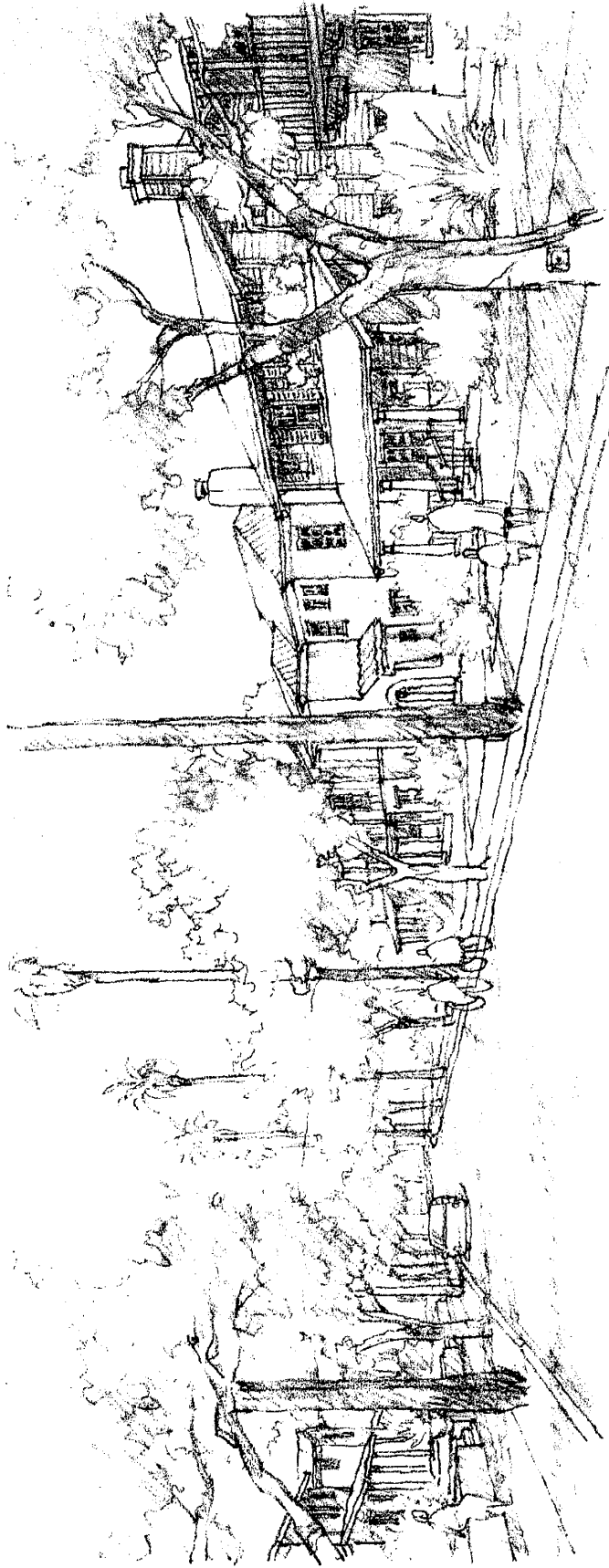
NEIGHBORHOOD CENTER



Orcutt Plan  
San Luis Obispo, California

Moule & Polyzoides Architects and Urbanists  
24 June 2003

NEIGHBORHOOD GENERAL

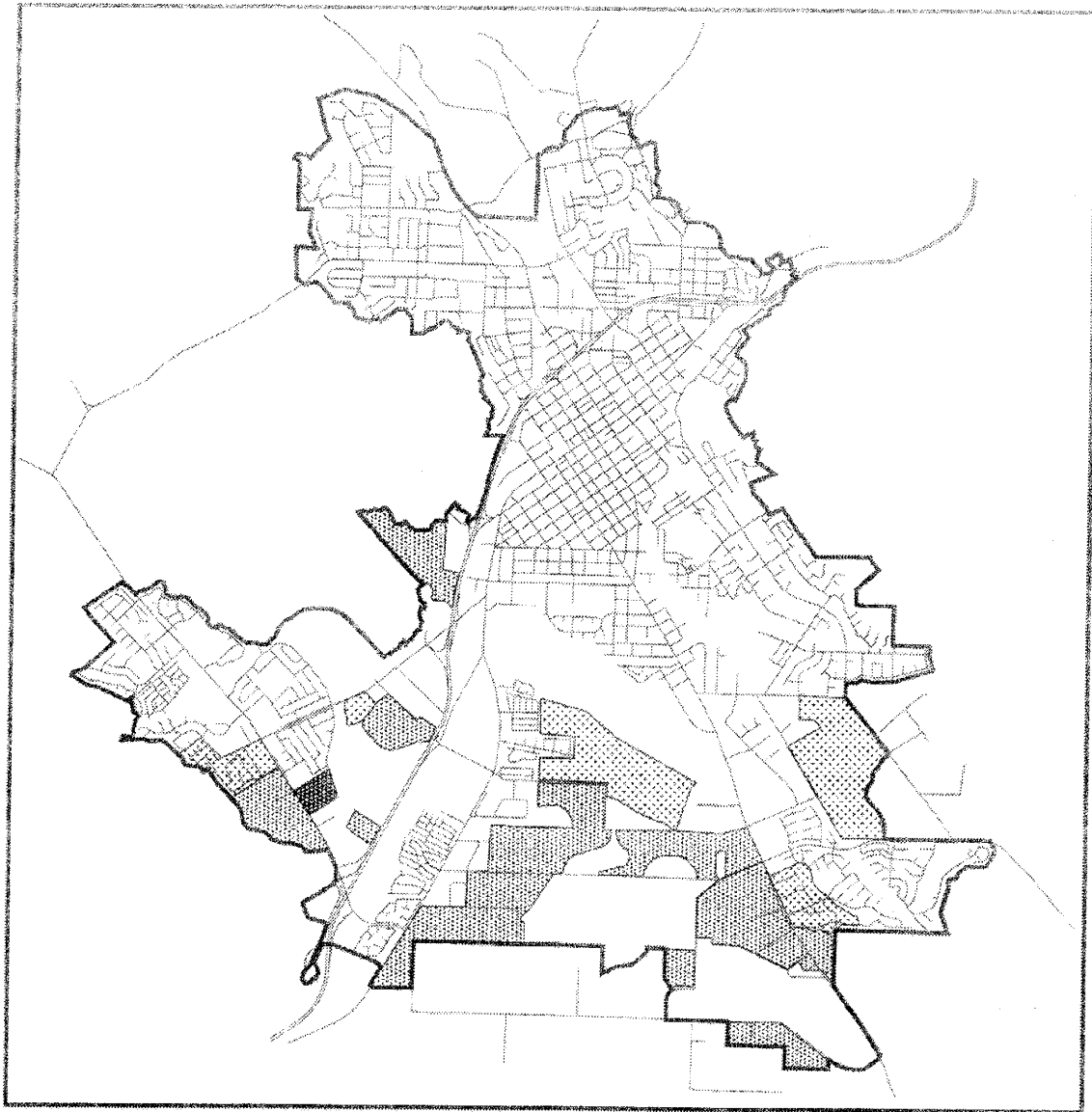


Orcutt Plan  
San Luis Obispo, California

Moule & Polyzoides Architects and Urbanists  
24 June 2003



THE GENERAL PLAN



**Figure 2: Urban Reserve and Principal Expansion Areas**

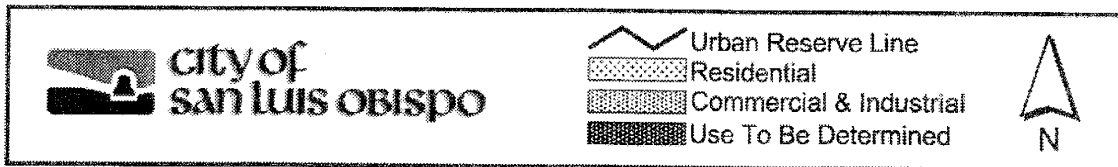


Figure 2: Urban Reserve and Principal Expansion Areas



THE GENERAL PLAN

- L. Opportunities for individuals or small groups, other than the specific plan developer, to build homes or to create living environments suited to small groups or to special needs.

**2.3.2 Separate Paths**

Within the major expansion areas, bicycle and walking paths which are separate from roadways should connect residential areas with neighborhood commercial centers, schools, parks and, where feasible, other areas of the City.

**2.3.3 Residential Neighborhood Designation**

The major residential expansion areas are shown as *Residential Neighborhood* on the General Plan Land Use Map. They may be developed as adequate utilities and services are made available. They should be developed as residential neighborhoods, with a wide range of housing types and costs, and supporting uses such as small parks, elementary schools, and shopping and services to meet the daily demands of neighborhood residents. The estimated residential capacities of the major expansion areas are shown in Table 3. These capacities are based on the amount of land suitable for development according to policies of this element, and average densities on the housing sites in the range of eight to ten dwellings per acre (excluding public streets, parks, and other land dedicated to public use).

**2.3.4 Transfer of Development Credits**

For each major expansion area, Table 3 indicates a low capacity which may be developed without transfer of development credits and a high capacity which may be used with transfer of development credits. Development credits would be transferred from areas in the City, the urban reserve, or the greenbelt where development would be less appropriate, generally those designated conservation/open space or, on the County's map, agriculture or rural lands.

**TABLE 3: RESIDENTIAL CAPACITY OF MAJOR EXPANSION AREAS**

Name of Area	Approximate Number of Dwellings	
	Low	High
Irish Hill	500	500
Margarita	1,100	1,200
Orcutt	500	700

**2.4 Residential Density**

**2.4.1 Density Categories**

The following residential density categories are established (Table 4). Residential density is expressed as the number of dwellings per acre of net site area within the designation. In determining net area, the following types of areas are excluded: sensitive features such as creeks, habitats of rare or endangered plants and animals, and significant trees; land dedicated in fee to the public for streets or neighborhood parks.