



# San Luis Obispo Local Agency Formation Commission

**TO: MEMBERS OF THE COMMISSION**

**FROM: ROB FITZROY, EXECUTIVE OFFICER  
IMELDA MARQUEZ-VAWTER, ANALYST**

**DATE: SEPTEMBER 19, 2024**

**SUBJECT: STUDY SESSION ON THE ANNEXATION OF DANA RESERVE  
SPECIFIC PLAN TO NIPOMO COMMUNITY SERVICES DISTRICT**

## RECOMMENDATION

It is respectfully recommended that the Commission receive and file this Study Session report on the proposed annexation of the Dana Reserve Specific Plan to the Nipomo Community Services District (NCSD) and provide comments, questions, and/or direction as needed and/or request more information.

## CONTENTS OF THIS REPORT

- Overview of the Study Session (Pages 1-2)
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## OVERVIEW OF THE STUDY SESSION

Annexations are subject to review and approval by LAFCO. The purpose of this Study Session is to inform the Commission, solicit their comments and questions, provide direction, and/or request additional information as needed, prior to a consideration hearing, regarding the proposed Petition for the annexation of the Dana Reserve Specific Plan (DRSP) into the NCSD for water, wastewater, and solid waste services, as initiated by the landowner, NKT Development, LLC.

LAFCO's authority and legislative purpose are established in Government Code Section 56000 et seq. The primary role of LAFCO is to promote orderly growth and

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development, ensuring the social, fiscal, and economic well-being of the region. The State Legislature acknowledges that the logical formation and determination of agency boundaries are crucial for promoting orderly development and balancing it with competing interests, such as preventing urban sprawl, preserving open space and prime agricultural lands, and efficiently extending government services. Moreover, the Legislature also recognizes that providing housing for individuals and families at all income levels is essential for promoting orderly development and must be carefully balanced against other factors and environmental impacts. Both the State and the County of San Luis Obispo have prioritized affordable housing.

The Commission should consider the annexation in the context of relevant LAFCO policies and the factors outlined in Government Code Sections 56668, 56668.3, and 56668.5. If the Commission decides to approve the annexation, it must also adopt a Statement of Overriding Considerations as required by CEQA, explicitly stating why the adverse impacts identified in the Environmental Impact Report (EIR) are outweighed by the economic, social, or technical benefits of the DRSP. Today's session offers an opportunity to discuss the DRSP and its associated annexation in the context of the entire record, CEQA, LAFCO policies and regulations, and LAFCO's legislative purpose, prior to a consideration hearing.

The Commission can review and consider all materials and testimony entered into the record thus far. Additionally, members of the public will have the chance to provide comments during the meeting. No formal action will be taken at this Study Session; however, the Commission may offer comments, ask questions, provide staff direction, and request additional information.

It is important to note that this Study Session report is not intended to cover every detail of the DRSP and annexation. Its purpose is to summarize the DRSP and highlight key aspects the Commission must consider when deciding on the annexation. The factors discussed from Government Code Section 56668 and the information provided herein do not constitute a full analysis; this will be conducted by staff for consideration at a future public hearing. This session is designed to facilitate discussion of significant factors and project attributes in relation to those factors and to assist in determining the completeness of the application based on the Commission's comments, questions, and direction.

Once the application is deemed complete, LAFCO will issue a Certificate of Filing and schedule the item for a hearing. At the hearing, the Commission will have broad discretion, based on the entire record, to make a decision regarding the proposed annexation.

## **TIMELINE OF KEY ACTIONS TO DATE**

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- On July 21, 2022, a LAFCO Study Session was held specific to the DRSP and Draft Environmental Impact Report (EIR). That Study Session was intended to discuss known details of the project at that time (prior to approval) and also focused on the Draft EIR so the Commission could provide comment on the Draft EIR during the public comment period held June 16, 2022, through August 1, 2022. At that time, the Commission expressed concern about the sustainability and ongoing availability of water,

transportation impacts related to vehicle miles traveled, impacts on the County's growth rate, and affordable housing. LAFCO commented on the Draft EIR during the public comment period. The County responded to LAFCO's EIR comment letter in the Master Response MR-1, Groundwater Water Management and Impacts, in Section 9.1 Volume 2: Chapter 9 of the Final EIR (pages 9.1-1 through 9.1-3 in Attachment B).

- On October 13, 2022, the landowner, NKT Development, LLC, applied to LAFCO through a Petition of Application to annex 288-acres into NCS D.
- On November 8, 2022, within the 30-day response requirement period, staff provided the applicant with a 30-day review letter, which placed the project on hold due to the need for additional information and application requirements.
- On November 17, 2022, the Commission received notice at a Commission meeting of the landowner Petition of Application as required by Government Code Section 56857.
- On October 23 and 24, 2023, the Planning Commission held a two-day public hearing to review the proposed DRSP project and associated EIR and voted to recommend that the Board of Supervisors certify the Final Environmental Impact Report (Final EIR) and approve the project.
- On April 23, 2024, the BOS held a public hearing and approved the following resolutions with supporting documents:

Adopted Resolution 2024-109 approving the following:

- a. Certification of the Final EIR (SCN: 2021060558)
- b. Environmental Findings
- c. Mitigation Monitoring and Reporting Program
- d. Statement of Overriding Considerations

Adopted Resolution 2024-108 approving the following:

- a. General Plan and Ordinance Amendment LRP2020-00007;
- b. 2024 Dana Reserve Specific Plan;
- c. Vesting Tentative Tract Map (TR 3159) and Conditional Use Permit (SUB2020-00047) based on the findings in Attachment 3 – Exhibits A and B (Findings and Conditions of Approval) of the BOS 4/23/24 staff report; and
- d. Ordinance approving the Development Agreement.

- On July 9, 2024, the County Board of Supervisors approved a property tax exchange of 2.36973% to be transferred to the NCS D.
- On August 28, 2024, the NCS D Board approved the following:
  - a. Property Tax Agreement accepting an exchange of 2.36973%
  - b. Annexation Agreement between NCS D and NKT Development, LLC

c. Plan for Services

**Pending Items**

- Once the application meets submission requirements LAFCO will issue a Certificate of Filing and schedule the item for a Hearing.
- A noticed LAFCO Hearing will be held, at a date not yet known, for the consideration of Annexation No. 30 into NCS D for the DRSP.
- Any other information that may be requested by the Commission.

**OVERVIEW OF ANNEXATION PROPOSAL**

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The DRSP is within the NCS D’s Sphere of Influence boundary as determined by LAFCO, however, annexation is required for NCS D to serve the DRSP, subject to LAFCO approval.

LAFCO must consider a variety of factors when making a decision on any annexation beyond the specific services that may be provided, including but not limited to the provisions of State Government Code, LAFCO policies, and all information and evidence in the whole record as will be further discussed in the report. LAFCO will be a Responsible Agency under CEQA and will rely upon the EIR prepared by the County of San Luis Obispo, in part, for its decision-making process.

The 2024 DRSP, included as Attachment A, consists of three parcels totaling approximately 288 acres, containing the 275-acre western portion of the property formerly referred to as Cañada Ranch (APN 091-301-073), as well as two additional 6.5-acre properties to the north that will provide access to Willow Road (APN 091-301-029 and -031).

The DRSP would allow for the development of up to 1,370 single- and multi-family residential units, construction of 100 accessory dwelling units (ADUs), as well as up to 203,000 square feet of village and flex commercial uses (including a hotel, educational/training facilities, and retail/light industrial uses), open space, trails, and a public neighborhood park.

The 2024 DRSP Concept Master Plan is included as Figure 1, below, followed by Table 1 which includes an overview of all proposed land uses and the associated numeric information within the DRSP area.

Figure 1: 2024 DRSP proposed Concept Master Plan<sup>1</sup>



<sup>1</sup> Exhibit 2-2a: Concept Master Plan in the DRSP, April 2024

Table 1: 2024 DRSP Land Use Summary <sup>2</sup>

Land Use	Acres	Density Range	Potential Units <sup>3</sup>	Potential Square Feet <sup>4</sup>
<b>RESIDENTIAL</b>				
Residential Single-Family-1 (DR-SF1)	130.8 <sup>5</sup>	4 – 7 du/ac	707	
Residential Single-Family-2 (DR-SF2)	15.3 <sup>6</sup>		124	
Residential Multi-Family (DR-MF)	25.7 <sup>7</sup>	18-24 du/ac		
Recreation (DR-REC) <ul style="list-style-type: none"> <li>• Neighborhood Park (4.8ac)</li> <li>• Equestrian Staging (1 ac)</li> <li>• Daycare (0.5 ac)</li> </ul>	6.3 <sup>8</sup>			
Pocket Parks <sup>9</sup>	-			
Primary Roads	22			
Residential Rural (RR) – Existing <sup>10</sup>	10			
<i>SUBTOTAL</i>	<i>210.1</i>		<i>1,370</i>	
<b>COMMERCIAL AND NON-RESIDENTIAL</b>				
Village and Flex Commercial Vistor Serving / Hotel Education	22.3 <sup>11</sup>			113k sf 60k sf 30k sf
Internatl Neighborhood Roads <sup>12</sup>	-			
Park and Ride <sup>13</sup>	-			
<i>SUBTOTAL</i>	<i>22.3</i>			<i>203k sf</i>
<b>OPEN SPACE / RECREATION</b>				
Open Space (DR-OS) Open Space Trails Basins	55.6 <sup>14</sup>			
<i>SUBTOTAL</i>	<i>55.6</i>			
<b>TOTAL</b>	<b>288.0</b>		<b>1,370</b>	<b>110-203k sf</b>

<sup>2</sup> Table 2.1: Land Use Summary in the DRSP, April 2024

<sup>3</sup> In addition to the Potential Units, a minimum of 100 Accessory Dwelling Units (ADU) will be constructed in Neighborhoods 4,5,6,7,8, and/or 9.

<sup>4</sup> K indicates thousand.

<sup>5</sup> All acreage and potential units can be adjusted up to 10% to address site specific constraints and more suitable site design, subject to County review.

<sup>6</sup> All acreage and potential units can be adjusted up to 10% to address site specific constraints and more suitable site design, subject to County review.

<sup>7</sup> All acreage and potential units can be adjusted up to 10% to address site specific constraints and more suitable site design, subject to County review.

<sup>8</sup> Minimum Requirement.

<sup>9</sup> Internal Neighborhood Roads and Pocket Park acreage located within Residential Single-Family land use acreage calculation.

<sup>10</sup> Includes approximately 2-acre fire station and a potential 1-acre public safety facility.

<sup>11</sup> All acreage and potential units can be adjusted up to 10% to address site specific constraints and more suitable site design, subject to County review.

<sup>12</sup> Internal Neighborhood Roads and Pocket Park acreage located within Residential Single-Family land use acreage calculation.

<sup>13</sup> Park and Ride acreage located within public Collector Roads.

<sup>14</sup> Minimum Requirement.

## **Other Provisions of DRSP and the Development Agreement**

Other provisions of the DRSP are outlined in the Development Agreement between the County and NKT Development, LLC. A Development Agreement is a tool that allows public agencies greater latitude to advance local planning policies and is commonly used in conjunction with specific plan projects. A Development Agreement and a proposed Ordinance adopting the Development Agreement were prepared for the DRSP and approved by the County BOS on April 23, 2024, included as Attachment E.

NKT Development, LLC, through the Development Agreement, has agreed to provide community benefits beyond what is required by County ordinance. Below is a summary of some notable provisions that are included in the Development Agreement:

### Financial Commitments of the County and Landowner

- Establishment of Financing Mechanisms
- Imposition of Fees, Taxes, Assessments, and other Charges

### Public Improvements

- Backbone Infrastructure Improvement Plan
- Construction and Dedication of Project Facilities and Infrastructure
- Cooperation as to Project Facilities and Infrastructure

### Other Commitments of County and Landowner

- Dedication of Park Lands
- Affordable Housing
- Water Infrastructure Improvements
- Wastewater Infrastructure Improvements
- Recycled Water Facilities
- Storm Drain Facilities
- Traffic and Circulation Improvements
- Ownership of Public Improvements
- Local Preference Programs
- Relocation of Nipomo Community Dog Park

## **SUMMARY OF THE ENVIRONMENTAL IMPACT REPORT**

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The County, as the Lead Agency under the California Environmental Quality Act (CEQA), has prepared the Environmental Impact Report (EIR) to disclose the environmental impacts of the DRSP. The County certified the EIR on April 23, 2024. Please refer to Attachment B for the full EIR and /or Attachment C for the EIR Executive Summary. LAFCO will be a Responsible Agency under CEQA and will rely upon the certified EIR for its decision making at the time of annexation.

Section 15123(b)(1) of the State CEQA Guidelines requires the identification of each significant effect with proposed mitigation measures and alternatives intended to reduce or avoid the effect.

## Class I Significant and Unavoidable Impacts

The environmental impacts discussed below are comprised of those which are Class I Significant and Unavoidable. For full details of all impact analysis and mitigation, please refer to the EIR included in Attachment B.

Class I Impacts within each issue area:

- Air Quality
  - **AQ Impact 1:** The project would conflict with an applicable air quality plan.
  - **AQ Impact 3:** The project would result in a cumulatively considerable net increase of criteria pollutants in exceedance of established SLOAPCD daily emissions thresholds.
  - **AQ Impact 9:** The project would result in cumulatively considerable impacts related to air quality.
- Biological Resources
  - **BIO Impact 1:** The project could directly or indirectly impact special-status plant and wildlife species.
  - **BIO Impact 4:** The project could directly and indirectly impact CRPR 4 and Watch List plant species, including California spineflower, sand buck brush, and sand almond.
  - **BIO Impact 14:** The project will directly impact Burton Mesa chaparral.
  - **BIO Impact 15:** The project will directly impact coast live oak woodland.
  - **BIO Impact 18:** The project will result in direct and indirect impacts to coast live oak woodland, coast live oak forest, and individual oak trees.
  - **BIO Impact 20:** The project would have cumulatively considerable impacts related to biological resources.
- Greenhouse Gas Emissions
  - **GHG Impact 3:** The project would conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.
  - **GHG Impact 5:** The project would result in a cumulatively considerable impact to greenhouse gas emissions.
- Land Use and Planning
  - **LUP Impact 3:** The project would adversely affect the local jobs-to-housing ratio within the project area and would be inconsistent with Land Use Planning Policy L-3 of the San Luis Obispo County Clean Air Plan.
  - **LUP Impact 5:** The project would result in the net loss of CRPR 4 and Watch List plant species, native oak woodland, and sensitive habitats; therefore, the project would be potentially inconsistent with goals and policies of the County of San Luis Obispo General Plan Conservation Open Space Element pertaining to preservation of biological resources and Policy 3.8 of the Parks and Recreation Element.
  - **LUP Impact 10:** The project would result in cumulative impacts associated with inconsistency with goals and policies identified within the County of San Luis Obispo General Plan Conservation and Open Space Element, Framework for Planning (Inland), Land Use Ordinance, and South County Area Plan regarding preservation and no net loss of sensitive biological resources and preservation of rural visual character.



- Population and Housing
  - **PH Impact 1:** The project would induce substantial unplanned population growth in the Nipomo area.
  - **PH Impact 5:** The project would result in a cumulatively considerable impact related to substantial and unplanned population growth.
- Transportation
  - **TR Impact 3:** Buildout of the Specific Plan Area would exceed the County VMT thresholds and therefore would not be consistent with State CEQA Guidelines Section 15064.3(b). VMT per employee would be incrementally reduced compared to existing conditions; however, the project-related increase in residential VMT per capita and overall VMT would exceed the County VMT thresholds.
  - **TR Impact 9:** The project would result in a cumulatively considerable impact to transportation and traffic.
- Growth Inducing Impacts
  - **GI Impact 1:** The project would result in substantial growth inducement associated with the proposed project's population as well as the potential to induce additional spatial, economic, or population growth in a geographic area.

## **Class II Significant but Mitigable Impacts**

The following lists the issue areas for which significant but mitigable impacts were identified. Due to the number of individual impact areas, this list only includes the issue areas by topic for which there are Class II impacts. For full details of all impact analysis, please refer to the Final EIR in Attachment B.

Class II Impacts within each issue area by topic:

- |   |                                      |
|---|--------------------------------------|
| • (1) in Aesthetics                       | • (2) in Hydrology & Water Quality   |
| • (2) in Agriculture / Forestry Resources | • (3) in Land Use Policy             |
| • (5) in Air Quality                      | • (2) in Noise                       |
| • (14) in Biological Resources            | • (2) in Public Services             |
| • (6) in Cultural Resources               | • (2) in Recreation                  |
| • (4) in Energy                           | • (3) in Tribal Cultural Resources   |
| • (5) in Geology and Soils                | • (4) in Utilities / Service Systems |
| • (2) in Greenhouse Gas Emissions         | • (2) in Wildlife Risks              |
| • (3) in Hazards & Hazardous Materials    |                                      |

## **Findings of Overriding Considerations**

For projects that result in significant environmental impacts that cannot be avoided, CEQA requires that the Lead Agency *and* Responsible Agencies balance the benefits of these projects against the unavoidable environmental risks in determining whether to approve the projects. If the benefits of these projects outweigh the unavoidable impacts, those impacts may be considered acceptable (State CEQA Guidelines Section 15093[a]).

CEQA also requires that, before adopting such projects, the public agency must adopt a Statement of Overriding Considerations setting forth the reasons why the agency finds that the benefits of the project outweigh the significant environmental effects caused by the project. On April 23, 2024, the County adopted its Statement of Overriding Considerations included in Attachment D. If the Commission approves the project, LAFCO as a Responsible Agency, will prepare Findings of Overriding Considerations, as required per CEQA Guidelines sections 15093, 15096 (h) and Section 21081(b).

### **Pending Litigation**

On May 28, 2024, the Nipomo Action Committee and the California Native Plant Society, SLO Chapter, filed suit against the County of SLO's approval of the DRSP Final EIR, *Nipomo Action Committee et. al. v. County of San Luis Obispo, Case No. 24CV-0351*. Because an injunction or stay has not been issued by the court, LAFCO must assume that the Final EIR for the project complies with CEQA, including any evidence relating to water, and shall approve or disapprove the project within the required timeframe. LAFCO cannot condition an approval contingent upon the court's rulings. The Legislature has provided the courts with guidance and authority to take a number of actions in connection with a CEQA challenge. Accordingly, the courts have the authority to void any annexation pursuant to a project that is found to be infeasible.

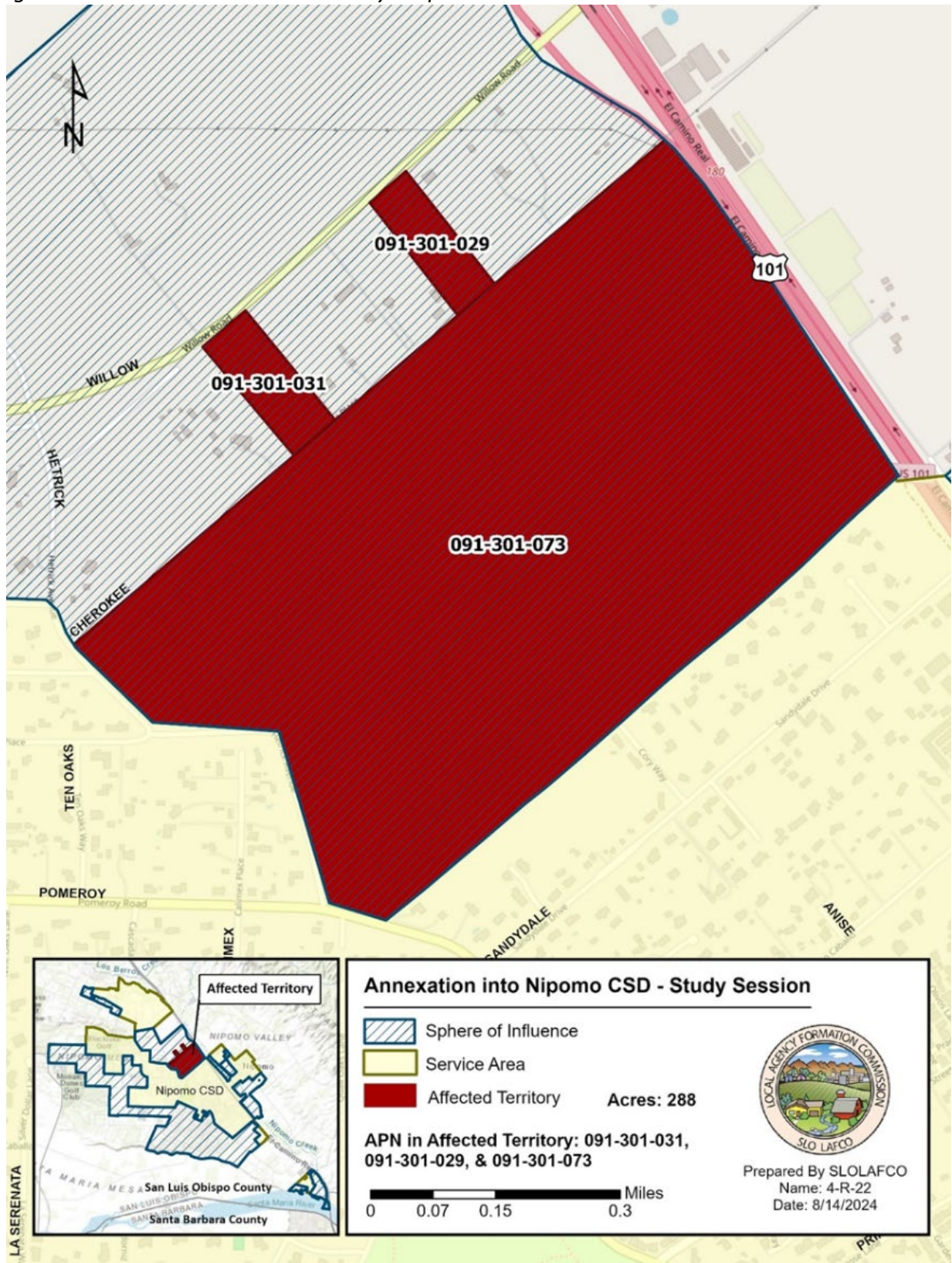
## **ANNEXATION PROCEEDINGS**

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### **Status of the Annexation**

The annexation application was submitted to LAFCO on October 13, 2022, through a landowner Petition of Application to annex the property into NCS D for water, wastewater, and solid waste service. The proposed annexation area is shown in Figure 2. The annexation application was placed on 'information hold' until the specified informational needs are completed and deemed sufficient for filing. LAFCO staff is evaluating the sufficiency of the items already submitted and if any additional informational needs are necessary in order to process the annexation. This Study Session item will also be used as a factor in determining application completeness based on comments/questions/direction from the Commission.

Figure 2: Annexation into NCSD Vicinity Map



## LAFCO Policies

Policies have been adopted by the Commission to assist in the review of proposals. In furtherance of the Government Code, these policies, standards, and procedures allow the Commission to continue to exercise its powers in a manner that encourages and provides planned, well-ordered, and efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns within the context of this specific region (Government Code Section 56300(a)(b)). Some notable policies that may apply to this annexation are provided below. The Commission must balance its policies and goals against a variety of needs and overall benefits the annexation would provide.

*2.1.1. The Commission shall endeavor to balance the need to efficiently provide public services with the sometimes-competing interests of discouraging urban sprawl, preserving prime agriculture land and open space (Gov. Code Section 56001 and 56301).*

*2.1.4. Jurisdictions are encouraged to create places to live that integrate various land uses as a way of providing for a diverse social and economic community.*

*2.1.6. The Commission will recognize and preserve clearly defined, long-term agricultural and open space areas established by the County or other jurisdictions to preserve critical environmental areas and to bolster local economies (Gov. Code Section 56001). This may be accomplished using agricultural easements, open space easements, conservation easements, or other mechanisms, that preserve agricultural or open space lands in perpetuity.*

*2.1.10. Impacts on affordable housing, impact of the creation of new jobs on affordable housing stock, within the annexation area and in neighboring jurisdictions. Demonstration that the effects of the proposed project on affordable housing have been mitigated (Gov. Code Section 56001). The Commission recognizes that providing a range of housing opportunities for persons and families of all incomes is an important factor in promoting orderly development.*

*2.1.11. In any proposal requiring water service, the Commission requires that the agency to which the annexation is proposed should demonstrate the availability of an adequate, reliable and sustainable supply of water. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase. In cases where a proposed annexation will be served by an onsite water source, the proponent should demonstrate its adequacy (Gov. Code Section 56668 (k)).*

*2.3.2. Prior to annexation of territory within an agency's Sphere of Influence, the Commission encourages development on vacant or underutilized parcels already within the boundaries of a jurisdiction. The agency should provide LAFCO with a build-out estimate or inventory and document how it was prepared.*

*2.3.4. The proposed annexation represents a logical and reasonable expansion of the district.*

*2.3.5. The proposed annexation reflects the plans of the adjacent governmental agencies.*

*2.3.6. The proposed annexation does not represent an attempt to annex only revenue producing property.*

*2.3.8. The district has the capability of meeting the need for services and has submitted studies and information documenting its capabilities.*

*2.10.9 The Commission shall balance preventing negative environmental effects while providing a decent home and satisfying living environment for every San Luis Obispo County resident.*

**LAFCO Factors**

When processing a proposal, LAFCO has broad discretion over any annexation request and its purview is not limited to the services being requested. Although the proposal is for annexation to NCS D to receive water, wastewater, and solid waste services, the Commission is required to consider all factors specified in Government Code Section 56668, 56668.3 (for district annexations), and 56668.5. A summary of factors that the Commission must consider is described in Table 2. The factors and information provided below are not reflective of the full analysis that staff will be conducting for action and consideration by the Commission at a future public hearing, this is only intended to facilitate discussion of some applicable key factors and significant project attributes as they relate to those factors.

*Table 2: LAFCO Summarized Mandatory Factors Per Government Code Section 56668 & 56668.3*

• Affordable Housing	• Need for Services	• Impact on Adjacent Areas
• Consistency with General Plans and Regional Transportation Plans	• Impacts to Agricultural Lands / Open Spaces	• Environmental Justice
• Consistency with LAFCO Policies	• Sphere of Influence	• Other Agency Comments
• Ability of agencies to provide services	• Availability of water supplies	• Population and Land Use
• Comments from landowner, voters or residents	• Existing information about existing land use	• Definite Boundaries
• If in the interest of landowners or present/future inhabitants	• Any resolutions raising objections filed by an affected agency	• Any other matter which the commission deems material

For the purpose of this Study Session discussion, a few key factors have been highlighted below and only the topics that are underlined within each of the factors will be discussed:

- **56668 (a) Population and population density; land area and land use; assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; and the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.**

Population: As demonstrated in Table 11-5 of the Final EIR and as shown below, based on an average household size of 3.16, the additional housing units proposed by the 2024 DRSP would generate a total population of 4,810 at buildout. The population density for the DRSP area would be 16.7 persons per acre.

Table 3: DRSP Population Projections<sup>15</sup>

Table 11-5. Project Residential Population Generation (2024 DRSP)

Land Use Type	Number of Dwelling Units	Nipomo Average Household Size <sup>1</sup>	Estimated Population Generated
Single-Family	831	3.16	2,628
Multi-Family	539		1,703
Accessory Dwelling Units	152		480
<b>Total</b>	<b>1,522</b>	--	<b>4,810</b>

<sup>1</sup> Source: U.S. Census Bureau (2019)

The Final EIR identified impacts related to population as noted below:

- **PH Impact 1:** The project would induce substantial unplanned population growth in the Nipomo area.
  - **PH Impact 5:** The project would result in a cumulatively considerable impact related to substantial and unplanned population growth.
  - **GI Impact 1:** The project would result in substantial growth inducement associated with the proposed project’s population as well as the potential to induce additional spatial, economic, or population growth in a geographic area.
- **56668 (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.**

Impacts to the Governmental Structure of the County

An Economic and Fiscal Impact Analysis was prepared which details the project’s anticipated recurring fiscal impact on the County’s General Fund. Details of the DRSP’s Economic and Fiscal Impact Analysis can be found in Attachment M. As outlined in the

<sup>15</sup> Table 11-5 in the Final EIR, Certified April 23, 2024

Fiscal Analysis, the project at full buildout would yield a net General Fund surplus of approximately \$130,893 per year (Scenario 1<sup>16</sup>) or as was analyzed by the consultant, a net General Fund deficit of \$612,518 per year (Scenario 2<sup>17</sup>) assuming no exchange in property tax to the NCS D.

Per the Revenue and Taxation Code, the jurisdictional change cannot take place until a resolution to accept the negotiated exchange of property tax revenues is adopted by both governing bodies. On July 9, 2024, the BOS offered and approved a property tax exchange of 2.36973% to be transferred to the NCS D, and on August 28, 2024, the NCS D approved a property tax exchange to accept a 2.36973% property tax transfer. The impact of a 2.36973% exchange to NCS D, under Scenario 1 would mean the estimated loss to the County General Fund would be \$139,707 per year, and under Scenario 2 the loss to the County is estimated to be \$882,518 per year. Therefore, the loss to the County is estimated to be in the range of \$139,707 to \$882,518 per year.

### Mutual Social and Economic Interests

The DRSP would include several aspects that have mutual social and economic benefits to the region as listed below:

- Provide a variety of commercial and industrial uses to generate local business activities, increase sales tax revenues.
- Create new construction-related and permanent jobs in the project area and foster future economic growth.
- According to the Economic and Fiscal Impact Analysis for the DRSP, during the construction phase the project is projected to generate about 4,368 directly related jobs onsite and approximately 1,763 jobs through indirect and induced economic activity. Labor income associated with these jobs would total approximately \$455 million, or more than \$74,000 per job (in 2022 dollars).
- Assist the County in meeting its housing allocation targets and provide a variety of housing types to meet the needs of a variety of renters and buyers.
- A local preference program for home buyers and renters will be included in the marketing of the units within the NBDs 1 through 6. The local preference program will give first priority to individuals who live or work in the South County (identified by the boundaries of the Lucia Mar Unified School District), children of South County residents, first time homebuyers, and buyers who can demonstrate a reduction in vehicle miles travelled by living in the DRSP area.

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<sup>16</sup> Scenario 1 is cited as the primary fiscal impact analysis for the project assuming 3.16 household size for NBDs 1-6 and 1.90 household size for NBDs 7-9, the analysis estimates full project build-out would generate a net General Fund surplus of approximately \$130,000 per year.

<sup>17</sup> Per the consultant, scenario 2 should be viewed as an overly conservative assumption, which assumes that units in NBDs 7-9 would have an average household size of 3.16 consistent with NBDs 1-6.

- Donation land within NBD 10A to Lucia Mar School District for the development of deed restricted affordable housing by People’s Self Help Housing to be offered to school district employees first.
  - Donation of land within NDB 10 B to People’s Self Help Housing for the construction of deed restricted affordable housing.
  - A 2-acre land dedication within the DRSP area for the construction of a future fire station to serve the South County and Nipomo areas.
  - A 4-acre land donation for a satellite community college.
  - A 0.5-acre land donation for a daycare center to serve the DRSP area and surrounding community.
  - Provide \$3.2 million dollar donation to the Community Foundation San Luis Obispo for downpayment assistance of between 3.5% and 10% of the home’s purchase price to qualified first time homebuyers.
  - Designate approximately 21 percent, or about 62 acres, of the DRSP area for recreational and open space uses.
  - Provide funding for enhancement of existing offsite park and recreational facilities through payment of Quimby fees.
  - Offer of dedication to an open space and conservation easement on a 388-acre property known as Dana Ridge (Assessor Parcel Numbers 090-031-003 and 090-031-004), consisting of approximately 238 acres of coast live oak woodland.
  - Preserve in perpetuity through recordation, known cultural and archaeological resources present within the area.
  - Include five connection points to the surrounding community, which would provide alternative emergency evacuation routes for the existing community.
  - Consistent with the recommendation of the Nipomo Mesa Management Area, the DRSP would facilitate further implementation of the Nipomo Supplemental Water Project by bringing water into the Nipomo Mesa and applying it to land uses within the mesa, a majority of which would be recaptured through wastewater collection and treated at the NCS D Southland Wastewater Treatment Facility, where it can percolate back into the Nipomo Mesa subbasin.
- **56668 (g) A regional transportation plan adopted pursuant to Section 65080.**

The Final EIR analyzed the DRSP’s consistency with SLOCOG’s 2019 Regional Transportation Plan RTP). Table 4.17-1 in the Final EIR provides an analysis of the DRSP’s consistency with the 2019 RTP, commencing on page 4.17-22 through 4.17-25 in Attachment B. In summary, the Final EIR concluded that there are several Class I significant and unavoidable impacts relating to Transportation and the RTP’s goals as seen below:

- **TR Impact 3:** Buildout of the Specific Plan Area would exceed the County VMT thresholds
- **TR Impact 9:** The project would result in a cumulatively considerable impact to transportation and traffic.



- **LUP Impact 3:** The project would adversely affect the local jobs-to-housing ratio within the project area and would be inconsistent with County policies
- **GHG Impact 3:** The project would conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.
- **GHG Impact 5:** The project would result in a cumulatively considerable impact to greenhouse gas emissions.
- **AQ Impact 1:** The project would conflict with an applicable air quality plan.
- **AQ Impact 3:** The project would result in a cumulatively considerable net increase of criteria pollutants in exceedance of established SLOAPCD daily emissions thresholds.
- **AQ Impact 9:** The project would result in cumulatively considerable impacts related to air quality.

The underlying reason why the impacts listed above would occur is because the DRSP site was not previously planned for residential development. Until recently, the site was planned for commercial development in order to improve the job to housing balance in the South County region. However, the County shifted its priorities for this site and initiated and approved a general plan amendment to support residential development on the site to address the need for housing. In addition, the RTP has since been updated and was adopted in June 2023. The updated RTP accounted for the DRSP and included it in its Transportation Efficiency Analysis. Currently, the Transportation Efficiency Analysis identifies a small portion of the DRSP site as potentially efficient due to existing transportation improvements, e.g. Willow Road. The majority of the site is not efficient because it is currently undeveloped and has no transportation improvements. According to SLOCOG, upon completion of required transportation improvements, the site will be considered transportation efficient.

- **56668 (k) *The ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***
- **56668.3 (1) *In the case of district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district.***

When applying for a change of organization, a plan for services is required in accordance with Government Code Section 56653. NCS D adopted a plan for services on August 28, 2024, included as Attachment L. The NCS D plans to provide the following services to the proposed annexation site:

- Solid Waste and Recycling
- Water Supply and Distribution
- Wastewater Collection and Treatment

The plan for services identifies the level and range of solid waste/recycling, water supply, and wastewater collection/treatment services to be provided to the DRSP. The plan

provides an overview of the water distribution system, wastewater collection, and wastewater treatment improvements required to serve the DRSP, the entity responsible for financing/construction of the necessary improvements, and the approximate timeframe for completion. Regarding service financing, major capital improvement projects will be funded by the project developer through capacity charges collected by the District.

Key highlights are below:

- NCS D has demonstrated there is adequate water supply and wastewater availability to serve the project.
- The DRSP would fund a number of major water and wastewater infrastructure improvements, which are detailed in the Plan for Services and annexation agreement between the applicant (NKT Development, LLC) and NCS D.
- The applicant (NKT Development, LLC) would provide approximately \$45 million in connection fees, an upfront payment of \$4.5 million to the district, and a payment of \$4.6 million for Phase I (170 units).
- All water and wastewater infrastructure improvements directly associated with the DRSP would be funded by the applicant (NKT Development, LLC), not ratepayers.
- Upon buildout of the DRSP, water and wastewater rates would be less than without the DRSP. This is in part because the project would fund a number of infrastructure projects that NCS D is required to construct irrespective of the DSRP, as well as an increased number of ratepayers which dilutes overall costs.
- Buildout of the DRSP would take approximately 7-10 years. In the interim, the DRSP would not affect existing rate payers. However, rates are expected to increase due to the legal obligation of NCS D to purchase 2,500-acre feet of water per year (AFY) by 2025. This is required irrespective of the DRSP. Ratepayers will begin to see rate reductions as phases of the DRSP are constructed, and full benefits to ratepayers would be at full buildout of the DRSP.

In addition, the NCS D has prepared a number of studies that demonstrate its financial and service-related capability to support the annexation of the DRSP into the District's service area boundary. A list of these documents is provided below and can be found as separate attachments to this staff report:

- Dana Reserve Water and Wastewater Rate Impact Analysis Study (Attachment G)
- Revised Dana Reserve Development Water and Wastewater Service Evaluation MKN Study (Attachment H)
- Dana Reserve Water Supply Assessment (Attachment I)
- Annexation Agreement between NCS D and NKT Development, LLC (Attachment J)
- Phasing Plan (Attachment K)
- Plan for Services (Attachment L)

Water Service

*Overview of NCS D’s Water Supply*

Groundwater was the sole source of the NCS D’s water supply until 2015 when the District began importing water from the City of Santa Maria as part of the Nipomo Supplemental Water Project (NSWP). The NCS D executed the Wholesale Water Supply Agreement with the City on May 7, 2013. Supplemental Water consists of a “municipal mix” of both surface water from the State Water Project and groundwater from the City of Santa Maria. The Wholesale Agreement dictates a minimum water delivery to the NCS D of 2,500 AFY by fiscal year 2025-26 with a maximum allowable delivery of 6,200 AFY, however, pump replacements and additional pipelines would be required to deliver the full 6,200 AFY to the District service area. While the District is obligated to meet the minimum delivery from the Wholesale Agreement, the District will continue operating the groundwater wells to serve existing and future demands. The delivery estimates also include delivery to Woodlands Mutual Water Company (WMWC), Golden State Water Company (GSWC), and Golden State Water Company Cypress Ridge.

Through the NSWP, the District has a maximum supply capacity of 2,167 AFY (including the remaining 500 AFY of NSWP water to serve new development demands). This excludes the 833 AFY allocation for WMWC and GSWC. Table 4 below shows the NSWP Total Water Available Per Purveyor. Based on the existing infrastructure of the NSWP and contractual obligations, between the District and the City, and as stated in the NCS D’s plan for services, this water supply source is considered 100% reliable and available during normal, single, and multiple dry year conditions.

*Table 4: NSWP Total Water Available Per Purveyor (2025-2026)<sup>18</sup>*

<b>Purveyor</b>	<b>Contracted Delivery (A.F.Y.)</b>	<b>Additional Capacity (A.F.Y.)</b>	<b>Total (A.F.Y.)</b>
<b>NCS D</b>	<b>1,667</b>	<b>500</b>	<b>2,167</b>
GSWC	208.25		208.25
RWC (GSWC)	208.25		208.25
WMWC	416.5		416.5
<b>Total</b>	<b>2,500</b>	<b>500</b>	<b>3,000</b>

At the July 21, 2022, LAFCO Study Session that was held specific to the DRSP and Draft EIR, the Commission expressed concern about the sustainability and ongoing availability of water from the City of Santa Maria. LAFCO staff reviewed and provided comments on the draft EIR on August 1, 2022, to ensure that the Lead Agency appropriately addressed any concerns of the Commission. The County, responded to LAFCO’s EIR comment letter in the Master Response MR-1, Groundwater Water Management and Impacts, in Section 9.1 Volume 2: Chapter 9 of the Final EIR (pages 9.1-1 through 9.1-3 in Attachment B).

In summary, Master Response MR-1 characterized the final court judgment that was filed in 2008 for the Santa Maria Groundwater Basin that fully adjudicated and dictated its

<sup>18</sup> Table 4.1.1 in the Dana Reserve Water Supply Assessment, Revised March 6, 2024

management by the courts. Furthermore, Master Response MR-1 mentioned that as described in Section 1.2 of the 2020 Urban Water Management Plan (UWMP), the most recent version of the Nipomo Mesa Management Area Technical Group’s annual report (13th Annual Report) was used in developing the UWMP. The UWMP evaluates the reliability of water supply sources, and the NCS D’s 2020 UWMP determined that based on the existing infrastructure already in place and existing contractual obligations between the NCS D and the City of Santa Maria, Nipomo supplemental water is considered 100% reliable and available during normal, single dry, and multiple dry years.

In addition, the 2020 City of Santa Maria Urban Water Management Plan concluded that water supplies from local groundwater and purchased water exceed total future estimated water demands under normal, single-dry year, and multiple-dry years. Each scenario analyzed demonstrated that the City of Santa Maria has adequate water supply reliability to meet demand in 2040.

*DRSP Water Demand*

The total project water demand is 377 AFY for the 2024 DRSP, as detailed in Table 5. This is 25 AFY greater than the water demand of the original project of 352 AFY, as was identified in the UWMP (352 AFY + 25 AFY = 377 AFY). The UWMP also mentioned that under the most severe conditions there would be a surplus water supply of 440 AFY. However, including the additional water demand of 25 AFY for the 2024 DRSP would result in a surplus of 415 AFY (440 AFY – 25 AFY = 415 AFY). Table 6 below shows the Multiple Dry Years Supply and Demand Comparison for Stage 5, as the most severe water supply scenario. To view the comparison for all stages please refer to Table 5.1.1 in Attachment I.

*Table 5: Dana Reserve Specific Plan Water Demand* <sup>19</sup>

<b>Grand Subtotal</b>				
Residential	1,370			280.97
Commercial				51.71
Public				22.15
Subtotal				354.83
152 Potential ADUs	152			21.28
<b>Total</b>	<b>1,522</b>			<b>376.11</b>

<sup>19</sup> Portion of Table 8.1 in the Dana Reserve Water Supply Assessment, Revised March 6, 2024

*Table 6: Multiple Dry Years Supply and Demand Comparison for Stage 5<sup>20</sup>*

		2025	2030	2035	2040	2045
Fifth year (NMMA Stage 5)	Groundwater Supply	1,013	1,013	1,013	1,013	1,013
	Imported Water Supply	3,000	3,000	3,000	3,000	3,000
	<b>Total</b>	<b>4,013</b>	<b>4,013</b>	<b>4,013</b>	<b>4,013</b>	<b>4,013</b>
	District (Existing and Infill)	2,118	2,186	2,253	2,320	2,388
	Annexations Under Review	176	352	352	352	352
	Sales to Other Agencies	833	833	833	833	833
	<b>Total</b>	<b>3,127</b>	<b>3,371</b>	<b>3,438</b>	<b>3,505</b>	<b>3,573</b>
<b>Difference (AF)</b>	<b>886</b>	<b>642</b>	<b>575</b>	<b>508</b>	<b>440</b>	

Wastewater Service

*Overview of NCS D’s Wastewater Capacity*

The NCS D is developing the Blacklake Sewer System Consolidation Project to regionalize wastewater treatment at a single District facility by 2025. Existing influent wastewater from the Blacklake sewer collection system will be diverted from the Blacklake Water Reclamation Facility (WRF) to the Southland Wastewater Treatment Facility (WWTF) through the installation of a lift station at the existing Blacklake WRF site and construction of a force main to convey wastewater from the Blacklake system to the Town sewer system for conveyance and treatment at the Southland WWTF. The existing Blacklake WRF will be demolished.

Based on the hydraulic analysis for the Dana Water and Wastewater Evaluation a number of improvements were identified to address the observed system deficiencies and to accommodate the addition of the DRSP. Improvements were described in detail within the NCS D’s plan for services included in Attachment L. Once all of NCS D’s identified wastewater system improvements are in place, the NCS D will have adequate capacity to treat future wastewater flows from the DRSP and projected growth within the NCS D service area.

*DRSP Wastewater Flows*

As discussed in the 2024 Water Supply Assessment (WSA), the total estimated 2022 wastewater flow to the Southland WWTF and Blacklake WWTF was 593 AFY. In addition, the WSA reported the DRSP would add approximately 244.40-acre feet per year (AFY) of wastewater flows. Adding the flow from the DRSP to the existing flow of the Southland WWTF and Blacklake WWTF would result in a projected total inflow to the Southland WWTF of 837.40 AFY.

Wastewater recharged into the underlying groundwater basin is referred to as "return flows." The NMMA 15th Annual Report identifies present Wastewater Discharge and Reuse quantities in the NMMA. The annual report identifies 2022 wastewater flows to

<sup>20</sup> Portion of Table 5.1.1 in the Dana Reserve Water Supply Assessment, Revised March 6, 2024

the Southland WWTF and Blacklake WWTF at 593 AFY. Accounting for losses due to solids removal and evaporation from the settling ponds, the amount identified for infiltration back into the groundwater basin was 516 AFY. The 516 AFY represents a thirteen percent (13%) loss from the original influent value of 593 AFY.

The wastewater from the DRSP will be processed at the NCS D's Southland WWTF. The total amount of wastewater available for use to the NCS D after the contribution of the wastewater from the Project will be approximately 729 AFY. NCS D will utilize all processed wastewater to recharge the groundwater basin (return flows).

*Table 7: Summary of Return Flows Sources and Losses<sup>21</sup>*

Wastewater Source	Wastewater Quantity	Return Flow Available (13% loss)
Dana Reserve	244.40 AFY	213 AFY
Combined Southland and Blacklake W.W.T.F	593.0 AFY	516 AFY
Total	837.4 AFY	729 AFY

Solid Waste and Recycling Service

The NCS D has a franchise service agreement with South County Sanitary Services for garbage, green waste, and recycling services. South County Sanitary Services disposes of collected solid waste at the Cold Canyon Landfill, which is a regional facility. South County Sanitary Services has reviewed the conceptual plans and will provide solid waste, recycling, and green waste pick-up service to the 2024 DRSP. The NCS D's franchise agreement includes all areas that are annexed into the District.

- **56668 (m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.**

The Regional Housing Needs Allocation (RHNA) establishes the total number of housing units that the County and each of the seven (7) cities must plan for within the planning period. The County's Housing Element defines affordable housing as housing that is affordable to very low-, low-, moderate-, or workforce-income households. In the context of meeting the unincorporated county's allocation of regional housing needs share, dwelling units typically must be deed restricted to limit rental or purchase of the dwelling units to households that qualify at extremely low-, very low-, and low-income levels. Table 8 below defines each income category.

<sup>21</sup> Table 4.3.2 in the Dana Reserve Water Supply Assessment, Revised March 6, 2024

*Table 8: Income Categories for Households in San Luis Obispo County<sup>22</sup>*

Income Level	Range in Area Median Income (AMI)
Extremely Low	No more than 30% AMI
Very Low	up to 50% AMI
Low	50-80% AMI
Moderate	80-120% AMI
Above Moderate ○ Workforce	Above 120% AMI 120-160% AMI

The 2024 DRSP would allow for the development of up to 1,370 single- and multi-family residential units and a minimum requirement to construct 100 accessory dwelling units (ADUs) for a total of 1,470 units. Of the 1,470, 1,022 will be categorized as “above moderate” income, 242 units (including 50 ADUs) will be categorized as “moderate” income, and 50 ADUs will be categorized as “low” income for a total of 1,314 units that will be constructed by NKT Development, LLC. Of the remaining estimated 156 units, 102 units would be categorized as “very low” income and 54 would be “low” income; they will be located in neighborhoods (NBD) 10A and 10B and be constructed by a local non-profit. This assumes that NBD 2 is developed with rental (as opposed to for sale) housing. If NBD 2 is developed with for sale product housing, then all NBD 2 units (210 total) are projected to be at the workforce housing level. Table 9 below summarizes the types of housing provided within the 2024 DRSP.

*Table 9: 2024 DRSP Affordable Housing Plan*

Neighborhood	Extremely Low	Very Low	Low	Mod	Above Moderate - Workforce	Above Moderate	Total
NBD 1	0	0	0	87	86	0	173
NBD 2 (if rental)	0	0	0	105	105	0	210
NBD 3	0	0	0	0	0	124	124
NBDs 4-9	0	0	50 ADUs	50 ADUs	0	707	807
NBD 10A	0	51	27	0	0	0	78
NBD 10B	0	51	27	0	0	0	78
<b>Total</b>	<b>0</b>	<b>102</b>	<b>104</b>	<b>242</b>	<b>191</b>	<b>831</b>	<b>1,470</b>

NBDs 10A and 10B consist of the donation of undeveloped land to a local non-profit(s) to allow for the construction of a minimum of 156 deed-restricted very low- and low-income affordable apartment units. NKT Development, LLC would install improvements to the lots, including utilities stubbed to the property lines, mass grading, and installation of all frontage improvements, including curb/gutter/sidewalks, drainage and stormwater

<sup>22</sup> County of SLO General Plan – 2020-2028 Housing Element, Adopted November 17, 2020

compliance associated with perimeter street runoff, sidewalks, streetlights, water mains, sewer mains, and dry utilities. The mix of very low- and low-income units will depend on a variety of factors, such as the requirements of the funding sources secured by the non-profit(s) to construct the housing. These 156 affordable units that will be constructed by the non-profit(s) represent approximately 11% of the project’s proposed 1,370 units.

Table 10 below compares the 2024 DRSP Housing Plan to the County’s 6th Cycle unmet RHNA targets (assuming a for-rent NBD 2 scenario). If NBD 2 is developed with for sale units, the 2024 DRSP would provide 137 moderate income units.

*Table 10: 2024 DRSP Contributions to RHNA*

Income Level	Required RHNA (2019-2028)	Unmet RHNA	DRSP Units
Extremley Low	400	794	0
Very Low	401		102
Low	505	334	104
Mod	585	395	242
Above Mod	1,365	30	1,022
<b>Total</b>	<b>3,256</b>	<b>1,553</b>	<b>1,470</b>

- **56668 (n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.**

Since the application was submitted to LAFCO in October 2022, LAFCO has continuously received comment letters from the public. All comment letters received are considered a part of the official record and are shared and available on the LAFCO website at <https://slo.lafco.ca.gov/lafco-no-4-r-22-annexation-no-30-to-nipomo-csd-dana-reserve>.

- **56668.5. The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis.**

The San Luis Obispo County Housing & Infrastructure Regional Framework (Attachment N) is a document adopted by the seven Cities, the County of San Luis Obispo, and SLOCOG in response to the region’s growing housing and infrastructure shortage. The Framework inventories infrastructure barriers and priorities for housing, identifies available grant funding options to implement infrastructure needs, and develops foundational information for the future 2027 Regional Housing Needs Assessment (RHNA). SLOCOG’s Transportation Efficiency Analysis was used as the basis for the Framework, and it identified a small portion of the DRSP site as potentially efficient for housing due to existing infrastructure improvements near the site. The majority of the site is not efficient because it is currently undeveloped and has no



major improvements. According to SLOCOG, upon completion of required improvements, the site will be considered efficient for housing.

## **STUDY SESSION DISCUSSION AND CONSIDERATIONS**

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The purpose of this Study Session is to inform the Commission, solicit their comments and questions, provide direction, and/or request additional information as needed regarding the proposed annexation.

LAFCO's role involves balancing growth and development with potential impacts and benefits, including social and economic advantages and housing provision. The Commission should consider the annexation in the context of relevant LAFCO policies and the factors outlined in Government Code Sections 56668, 56668.3 and 56668.5 noted above. If the Commission decides to approve the annexation, it must adopt a Statement of Overriding Considerations as required by CEQA, explicitly stating why the adverse impacts identified in the Environmental Impact Report (EIR) are outweighed by the economic, social, or technical benefits of the DRSP. Today's session offers an opportunity to discuss the DRSP and its associated annexation in the context of the entire record, CEQA, LAFCO policies and regulations, and LAFCO's legislative purpose.

The State Legislature recognizes the challenges appointed to the Commission in promoting orderly development and balancing development with sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agricultural lands, and efficiently extending government services. Additionally, the Legislature recognizes that providing housing for individuals and families of all income levels is essential for promoting orderly development and must be balanced accordingly against competing factors and environmental impacts. Both the State and County of San Luis Obispo have established affordable housing a high priority.

The Commission can review and consider all materials and testimony that have been entered into the whole of the record to date. The Commission will have broad discretion in light of the entire record to make a decision on the proposed annexation once set for hearing. Once the application is deemed complete, LAFCO will issue a Certificate of Filing and schedule the item for a hearing.

## **ATTACHMENTS**

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Available via web links due to file size:

**Attachment A:** Dana Reserve Specific Plan

[https://slo.lafco.ca.gov/files/c62b882b1/Attach+A\\_DRSP2024.pdf](https://slo.lafco.ca.gov/files/c62b882b1/Attach+A_DRSP2024.pdf)

**Attachment B:** Final Environmental Impact Report

<https://www.slocounty.ca.gov/departments/planning-building/forms-documents/planning-projects/dana-reserve-specific-plan/final-environmental-impact-report>

**Attachment C:** Final Environmental Impact Report Executive Summary

[https://slo.lafco.ca.gov/files/f6297a70a/Attach+C\\_Exec+Sum+FEIR.pdf](https://slo.lafco.ca.gov/files/f6297a70a/Attach+C_Exec+Sum+FEIR.pdf)

**Attachment D:** County CEQA Statement of Overriding Considerations

[https://slo.lafco.ca.gov/files/997b7cc4c/Attach+D\\_CEQA+Findings.pdf](https://slo.lafco.ca.gov/files/997b7cc4c/Attach+D_CEQA+Findings.pdf)

**Attachment E:** Development Agreement Between Applicant and County

[https://slo.lafco.ca.gov/files/cf5f16d69/Attach+E\\_Development+Agreement.pdf](https://slo.lafco.ca.gov/files/cf5f16d69/Attach+E_Development+Agreement.pdf)

**Attachment F:** NCSD Sphere of Influence Update and Municipal Service Review

<https://slo.lafco.ca.gov/files/378fa8988/9372bb8a01e65df1afb8c612976ea1ef.pdf>

**Attachment G:** Dana Reserve Water and Wastewater Rate Impact Analysis Study

[https://slo.lafco.ca.gov/files/663625d1a/Attach+G\\_Rate+Impact+Study.pdf](https://slo.lafco.ca.gov/files/663625d1a/Attach+G_Rate+Impact+Study.pdf)

**Attachment H:** Revised Dana Reserve Development Water and Wastewater Service Evaluation MKN Study

[https://slo.lafco.ca.gov/files/d5e873483/Attach+H\\_Service+Evaluation.pdf](https://slo.lafco.ca.gov/files/d5e873483/Attach+H_Service+Evaluation.pdf)

**Attachment I:** Dana Reserve Water Supply Assessment

[https://slo.lafco.ca.gov/files/2b0c589e0/Attach+I\\_WSA.pdf](https://slo.lafco.ca.gov/files/2b0c589e0/Attach+I_WSA.pdf)

**Attachment J:** Annexation Agreement between NCSD and NKT Development, LLC

[https://slo.lafco.ca.gov/files/2180ae773/Attach+J\\_NCSD\\_DR\\_AnnexAgrmt.pdf](https://slo.lafco.ca.gov/files/2180ae773/Attach+J_NCSD_DR_AnnexAgrmt.pdf)

**Attachment K:** NCSD Phasing Plan

[https://slo.lafco.ca.gov/files/aaa93f0f0/Attach+K\\_Phasing+Plan.pdf](https://slo.lafco.ca.gov/files/aaa93f0f0/Attach+K_Phasing+Plan.pdf)

**Attachment L:** NCSD Plan for Services

[https://slo.lafco.ca.gov/files/e8c71e51a/Attach+L\\_Plan+for+Services.pdf](https://slo.lafco.ca.gov/files/e8c71e51a/Attach+L_Plan+for+Services.pdf)

**Attachment M:** Economic and Fiscal Impact Analysis for DRSP

[https://slo.lafco.ca.gov/files/32c02067b/Attach+M\\_+Fiscal+Study.pdf](https://slo.lafco.ca.gov/files/32c02067b/Attach+M_+Fiscal+Study.pdf)

**Attachment N:** San Luis Obispo County Housing & Infrastructure Framework

[https://slo.lafco.ca.gov/files/ab12ec773/Attach+N\\_Housing+and+Infrastructure+Regional+Framework+Final+August+2023.pdf](https://slo.lafco.ca.gov/files/ab12ec773/Attach+N_Housing+and+Infrastructure+Regional+Framework+Final+August+2023.pdf)