

ATTACHMENT B-2

LRP2008-00010:C

Amendments to the County of San Luis Obispo General Plan Planning Commission Recommended Draft 8-30-12

1. Amend Chapter 2, beginning with page 2-33 of the Agriculture Element of the County of San Luis Obispo General Plan, as follows:

AGP20: Agricultural Land Divisions.

- a. Where a division of agricultural lands is proposed, a contiguous cluster division consistent with AGP 22 ~~or 23~~ is an alternative to a conventional "lot split" land division.
- b. Where a land division is proposed, the proposed parcels should be designed to ensure the long term protection of agricultural resources.

Discussion: Where lands can qualify for subdivision based on the parcel size criteria described in AGP 21, the use of agricultural cluster divisions consistent with AGP 22 ~~and 23~~ may be the preferred alternative over the conventional "lot split" land divisions. Agricultural cluster divisions provide a way to protect lands for continued and enhanced agricultural production, particularly if the ~~homes~~ parcels are clustered in a compact, contiguous manner which reduces the agricultural/residential interface. The creation of such residential sized parcels as well as the bonus agricultural parcel provides incentives to the land owner to choose the cluster approach. In return, areas of the site intended for agricultural production are permanently protected by a recorded agricultural open space easement, as well as being placed in a Land Conservation Act (Williamson Act) contract that will provide long term protection of the agricultural resources.

When any division of agricultural land is proposed, the county Agriculture Department should carefully review the proposal. The primary concern should be that the resulting parcels will maintain the land resources, so they will have a strong likelihood of remaining in long-term sustainable agriculture.

~~To encourage the use of a cluster design, there should be an increase in the number of parcels that will provide a sufficient incentive to the land owner to choose the cluster approach. In return for that increase, areas of the site intended for agricultural production are permanently protected by a recorded open space easement, as well as being placed in a Land Conservation Act (Williamson Act) contract that will provide long term protection of the agricultural resources.~~

There will be circumstances where a land owner proposes a conventional division of agricultural land and does not wish to create residential cluster parcels and accomplish an increase in the number of parcels, or the owner believes the conventional design best meets the agricultural goals for the property. For such a project, the Agriculture Department's review should include consideration of designated building envelopes, as well as a possible limitation on the number of residences and allowed uses that can be established on the proposed parcels. Since the proposed parcels would also be reviewed against the criteria found in Figure 2-2, the resulting parcels would qualify for an agricultural preserve (Williamson Act) contract for further protection of the agricultural resources. Other agricultural or conservation easements on the agricultural portions of the proposed parcels should also be considered to ensure long term protection of resources in perpetuity.

Implementation:

1. The Department of Planning and Building should propose amendments to the LUO and CZLUO to implement this policy.

Timeframe: Concurrent with the adoption of this revised policy.

2. During the CEQA-required environmental review of discretionary land divisions, where the land contains sensitive environmental features and involves active agricultural production or has the potential for agricultural production, the value of the environmental resources should be weighed against the value of agricultural production.

Timeframe: Ongoing through the review of development projects.

2. Amend Chapter 2, beginning with page 2-37 of the Agriculture Element of the County of San Luis Obispo General Plan, as follows:

AGP22: ~~Major Agricultural Cluster Projects (not available in Coastal Zone)~~

- a. ~~Consistent with provisions of the Land Use Ordinance, properties may~~ **Properties that are partly or entirely within five miles of the urban and village reserve lines designated in the LUO and that meet the minimum area criteria can apply for an** major agriculture cluster.
- b. ~~The maximum number of residential parcels allowed outside of the coastal zone in an agricultural cluster project in a major agricultural cluster project shall be equivalent to not exceed the number of primary dwellings normally allowed on the parcels that would result from a conventional land division in the Agriculture land use category based on the minimum parcel size criteria in the Land Use Ordinance (use test) and shall at no time be greater than 1 lot per 40 acres. For parcels located in the coastal zone of the county, the number of parcels allowed shall not exceed the number of underlying legal lots that currently exists on site. In both the inland and coastal areas of the county, the maximum potentially allowed density may not be achieved where potential impacts of a project require reduction in the number of proposed parcels. criteria specified in Figure 2-2. (Major agricultural cluster projects may include a reduction in the number of parcels down to 26% of the maximum potential allowance if proposed by the applicant in order to mitigate potential impacts of the project.)~~
The maximum number of residential parcels allowed outside of the coastal zone in an agricultural cluster project in a major agricultural cluster project shall be equivalent to not exceed the number of primary dwellings normally allowed on the parcels that would result from a conventional land division in the Agriculture land use category based on the minimum parcel size criteria in the Land Use Ordinance (use test) and shall at no time be greater than 1 lot per 40 acres. For parcels located in the coastal zone of the county, the number of parcels allowed shall not exceed the number of underlying legal lots that currently exists on site. In both the inland and coastal areas of the county, the maximum potentially allowed density may not be achieved where potential impacts of a project require reduction in the number of proposed parcels. criteria specified in Figure 2-2.
(Major agricultural cluster projects may include a reduction in the number of parcels down to 26% of the maximum potential allowance if proposed by the applicant in order to mitigate potential impacts of the project.)
- c. ~~All resulting agricultural parcels must meet the minimum parcel size criteria of Figure 2-2 and must be covered by a permanent agricultural open space easement.~~
- cd. All resulting residential parcels are entitled to one dwelling per parcel.
- de. Whether or not an EIR must be prepared will be determined by the CEQA “initial study.”

cf. Consistent with the provisions of the existing agricultural cluster ordinance in the LUO, areas Areas of the site intended for agricultural production must be permanently protected by a recorded open space easement and be placed in a Land Conservation Act (Williamson Act) contract.

Discussion: The Board of Supervisors adopted the agricultural cluster ordinance in 1984 as a tool available to inland property owners to “encourage the preservation of agricultural lands...for the continuing and enhanced production of food and fiber...” As an incentive, the ordinance states that it is the Board’s policy to “encourage the use of clustering by allowing the number of cluster parcels to equal the number of dwelling units normally permitted on a standard agricultural land division” (LUO Section 22.04.037). See Fig. 2-3 for an illustration of the cluster project concept.

Ordinance provisions should protect agricultural land by offering an alternative to standard subdivision. However, ordinance provisions should recognize there are inherent conflicts between increased residential development within agricultural areas and should minimize these conflicts while at the same time maximizing the protection of on and off site agricultural production. In the coastal zone, ordinance provisions should assure that all applicable coastal policies are followed.

~~The existing ordinance provides for the development of residential cluster divisions on large properties in the Agriculture land use category located outside the coastal zone. In order to apply for an agricultural cluster project, these properties must be at least 160 acres in size if located within one mile of the urban reserve line of San Miguel, Paso Robles, Atascadero, San Luis Obispo, Arroyo Grande and Nipomo, and the Creston~~

~~village reserve line, and up to 2,560 acres at five miles from an urban or village reserve line. The existing ordinance also requires that the clustered lots be within the five mile boundary if other portions of the project site exceed five miles, and also mandates that an environmental impact report (EIR) be prepared for any proposed ag cluster project.~~

~~The purpose of this policy is to make several proposed amendments to the existing ordinance to provide more incentives for its use, as well as to make a distinction between “major” and “minor” ag cluster projects so that minor ag cluster projects could become available to land owners in the coastal zone. Major ag cluster projects can be expected to be more intensive projects. Therefore, it is reasonable to continue to limit these types of projects to within five miles of the specified urban and village reserve lines. The less intensive minor ag cluster projects envisioned by AGP 23 offer another option to land owners within the five mile area as well as in the outlying rural areas of the county (greater than five miles), including in the coastal zone, to achieve some added development density over what they could achieve with a standard land division, in return for protecting and enhancing their agricultural operation.~~

~~If major ag cluster projects are to be an alternative for proposed divisions of agricultural properties in the areas around the specified communities, several important revisions to the existing ordinance should be considered, as follows:~~

- ~~1. The minimum acreage currently required to apply for a major agricultural cluster project should be amended to require that the resulting agricultural parcel(s) meet the minimum parcel size standards specified in Figure 2-2 and be place in a Williamson Act ag preserve contract as specified in the county Rules of Procedure (in accordance with the existing provisions in Land Use Ordinance Section 22.04.037)(5), the parcel(s) would also be covered by an open space easement that exists as long as the clustered residential lots~~

exist):

2. ~~Add the urban reserve line of the City of Santa Maria to the list of specified communities around which a major ag cluster project can be proposed where the candidate site is located outside the coastal zone, thereby adding this tool as an option in the rich agricultural area of the Santa Maria and Oso Flaco Valleys.~~
3. ~~Revise the mandatory requirement for an EIR as follows:
 - a. ~~Eliminate the mandatory EIR and instead allow the CEQA "initial study" process to determine whether an EIR should be prepared. The initial study should closely examine the potential impacts on the long-term protection of the agricultural, environmental and biological resources, as well as the availability of and potential impacts on resources such as water, traffic, air quality, schools and other public services and facilities.~~~~
4. ~~For projects where portions of the project site lie outside the specified five mile boundary, revise the ordinance to eliminate the current requirement that the proposed cluster lots be located within the five mile limit. Instead, allow the proposed clustered lots to be located anywhere on the project site that will have the least impacts on the agricultural operations.~~

Implementation:

1. The Department of Planning and Building should prepare amendments to the LUO and CZLUO consistent with this policy and the discussion above. ~~to implement the policy.~~

Timeframe: ~~18 months from plan adoption.~~ This is a high priority.

~~AGP23: Minor Agricultural Cluster Projects.~~

- a. ~~Properties throughout the county, including the coastal zone, can apply for a minor agriculture cluster project.~~
- b. ~~The maximum number of parcels allowed in a minor agricultural cluster project shall be equivalent to the number of parcels that would result from a conventional land division in the Agriculture land use category based on the minimum parcel size criteria specified in Figure 2-2, with an increase of at least one more parcel or up to a maximum 25% increase in the number of parcels that could be achieved with a conventional land division.~~
- c. ~~All resulting agricultural parcels must meet the minimum parcel size criteria specified in Figure 2-2 and must be covered by a permanent agricultural open space easement.~~
- d. ~~All resulting residential parcels are entitled to one dwelling per parcel.~~

Discussion: This policy is proposed to be applicable throughout the county, including the coastal zone. This policy would allow the use of a cluster design for agricultural land divisions where the applicant wants to propose a project less intense than a major cluster division as described in AGP22 above. Since the Coastal Act and the county's Local Coastal Plan place so much emphasis on the long-term protection of coastal agriculture, making this design tool available in the coastal zone is an important addition to the CZLUO. See Figure 2-4 for an illustration of the minor cluster project concept.

One of the reasons for this policy is to encourage agriculturalists to stay on the land and not sell the family farm. For example, agriculturalists often have a legitimate business need to subdivide land for financing purposes. In addition, they may need a limited number of small homesites for members of the agricultural family so that they can stay on the land for the long term. At the present time, the only option available to these agriculturalists is to propose a conventional land division that may actually prove more harmful than beneficial to the long-term protection of the agricultural resources.

The implementation for this policy addresses those needs by providing for creation of a limited number of small parcels. Another benefit of this policy is that by encouraging cluster division, agricultural lands can be permanently protected for continued and enhanced agricultural production.

Many agriculturalists feel that there are not enough incentives or flexibility in the current land use regulations to encourage property owners to subdivide land using a cluster approach instead of a conventional land division. As a result, cluster land divisions are rarely used, even though the cluster division may be the most appropriate to protect agricultural resources.

The implementation of this policy addresses those concerns by providing for smaller parcel sizes and some density bonus, but not requiring that such projects meet the same requirements as a major agricultural cluster project (see AGP 22). The most important differences between the major and minor agricultural cluster project would be: minor cluster projects would be available for use anywhere in the county, including the coastal zone, and not be limited to within five miles of an urban/village reserve line; and minor cluster projects would receive a straight 25 percent density bonus, or at least one more lot than could be achieved with a standard land division.

In exchange for the increase in the number of parcels and the flexibility offered by the minor agricultural cluster approach, the agricultural lot(s) shall meet the minimum parcel size standards specified in Figure 2-2 and be placed in a Williamson Act agricultural preserve contract in accordance with the county Rules of Procedure, and should also be covered by a permanent agricultural open space easement as described for major agricultural cluster projects. CC&R's would be applied to the non-agricultural clustered lots to notify the purchasers that those lots are located in an agricultural area and that the county supports its "Right to Farm" ordinance for protection of agricultural operations. The cluster project application would also be given priority processing as a further incentive to the applicant.

Implementation: The Department of Planning and Building should propose amendments to the LUO and the CZLUO to establish standards for minor agricultural land divisions consistent with this policy and as described above.

Timeframe: 18 months from plan adoption.

3. Amend Chapter 4, page 4-7 of the San Luis Obispo Area Plan of the County of San Luis Obispo General Plan, as follows:

San Luis Obispo Greenbelt

The rural setting that surrounds San Luis Obispo is in direct contrast to the activity within the city. This distinction between city and country should be protected by both the city and county, by establishing a "greenbelt" that would involve property owners in voluntary, innovative methods of open space preservation while maintaining economic land uses. In the area shown in Figure 4-2, the city and county seek to keep undeveloped land open, while accommodating rural homesites.

A greenbelt typically is privately-held land where voluntary, contractual commitments are made between the jurisdiction (the county in this case) and owners that grant land use incentives in return for retaining their property in agricultural and open space use. Other arrangements may be financial, where the potential development value of the property is purchased, leaving it in private ownership for continued use. New development that occurs as an incentive bonus is usually guided to fit unobtrusively within the existing landscape. A primary set of incentive-based tools include the following:

- **Agricultural preserves:** Contractual agreements between the owner and the county to retain the Agriculture land use category on the property for a period of 10 or 20 years, in return for a property tax reduction.
- **Agricultural land division cluster:** Subdivision of land within the Agriculture land use category that ~~receives a 100% bonus on the number of parcels, in return for retaining~~ retains 95 percent of the original property within ~~perpetual~~ permanent open space use.
- **Lot line adjustments:** Creative reconfiguring of existing lot lines to provide appropriate homesites and remaining large lots.
- ~~**Minor ag cluster** (Proposed in the Agricultural and Open Space Element): Similar subdivision of land on smaller parcels.~~
- **Transfer of development credits:** The voluntary sale of an owner's subdivision entitlements, separate from the fee ownership, to another party for use as bonus allowances in other designated areas for higher density development.
- **Cluster land divisions.** Regulations that encourage land divisions to cluster the number of allowed parcels and in some land use categories offer a bonus in the number of parcels, in return for retaining the remainder of the property in ~~perpetual~~ permanent open space.
- **Open space incentives.** Associated with cluster land divisions, the amount of permanent open space can be tailored to the characteristics of each site, so that a flexible guide can be used instead of a set criteria.
- **City Annexation.** The City of San Luis Obispo has adopted regulations that require proposals for annexing land at the fringe of the city to offer land for open space dedication or to pay an in-lieu fee.