



Negative Declaration & Notice Of Determination

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING
976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

ENVIRONMENTAL DETERMINATION NO. ED07-067

DATE: June 12, 2014

PROJECT/ENTITLEMENT: Fallingstar Homes, Inc. Grading Permit; PMT2006-02485

APPLICANT NAME: Fallingstar Homes, Inc. (Frank Arciero Jr.)

ADDRESS: 1344 Oak St. #101
Paso Robles, CA 93446

CONTACT PERSON: Steve Sylvester

Telephone: 805-239-3127

PROPOSED USES/INTENT: Request by Fallingstar Homes Inc. for an as-built grading permit for grading that resulted in 37.6 acres of disturbance including approximately 153,700 cubic yards of cut and 153,700 cubic yards of fill, on a 164.5 acre parcel over an approximate 19 month period. Grading that remains to be completed would include disturbance of approximately 1,500 square feet of an existing fill slope (unless the slope is determined to be stable by a soils engineer). The grading has allowed for construction of a barn, water tanks, and a horse exercise track, all of which have been developed. The exercise track is proposed for private use. It would not be used for special events. The proposed project is within the Agriculture land use category.

LOCATION: The project is located on the north side of Highway 46 East, approximately one-half mile east of McMillan Canyon Road and approximately on-half miles east of the community of Shandon in the Shandon Carrizo planning area.

LEAD AGENCY: County of San Luis Obispo
Dept of Planning & Building
976 Osos Street, Rm. 200
San Luis Obispo, CA 93408-2040
Website: <http://www.sloplanning.org>

STATE CLEARINGHOUSE REVIEW: YES NO

OTHER POTENTIAL PERMITTING AGENCIES: California Department of Fish and Wildlife

ADDITIONAL INFORMATION: Additional information pertaining to this Environmental Determination may be obtained by contacting the above Lead Agency address or (805)781-5600.

COUNTY "REQUEST FOR REVIEW" PERIOD ENDS AT 4:30 p.m. (2 wks from above DATE)

30-DAY PUBLIC REVIEW PERIOD begins at the time of public notification

Notice of Determination

State Clearinghouse No. _____

This is to advise that the San Luis Obispo County _____ as Lead Agency Responsible Agency approved/denied the above described project on _____, and has made the following determinations regarding the above described project:

The project will not have a significant effect on the environment. A Negative Declaration was prepared for this project pursuant to the provisions of CEQA. Mitigation measures and monitoring were made a condition of approval of the project. A Statement of Overriding Considerations was not adopted for this project. Findings were made pursuant to the provisions of CEQA.

This is to certify that the Negative Declaration with comments and responses and record of project approval is available to the General Public at the 'Lead Agency' address above:

Signature	Murry Wilson	Date	County of San Luis Obispo
	Project Manager Name		Public Agency



INITIAL STUDY SUMMARY – ENVIRONMENTAL CHECKLIST

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

976 OSOS STREET • ROOM 200 • SAN LUIS OBISPO • CALIFORNIA 93408 • (805) 781-5600

Promoting the Wise Use of Land • Helping to Build Great Communities

(ver 3.1) Using Form

Project Title & No. Fallingstar Homes Grading Permit ED07-067 PMT2006-02485

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED: The proposed project could have a "Potentially Significant Impact" for at least one of the environmental factors checked below. Please refer to the attached pages for discussion on mitigation measures or project revisions to either reduce these impacts to less than significant levels or require further study.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input checked="" type="checkbox"/> Geology and Soils | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Agricultural Resources | <input type="checkbox"/> Hazards/Hazardous Materials | <input type="checkbox"/> Transportation/Circulation |
| <input type="checkbox"/> Air Quality | <input type="checkbox"/> Noise | <input type="checkbox"/> Wastewater |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Water |
| <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Public Services/Utilities | <input checked="" type="checkbox"/> Land Use |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation, the Environmental Coordinator finds that:

- The proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- Although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- The proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- The proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- Although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Keith Miller (SWCA)

Prepared by (Print)

Mary Lee for Keith Miller
Signature

4/9/2014

Date

Murry Wilson

Reviewed by (Print)

Murry Wilson
Signature

Ellen Carroll,
Environmental Coordinator
(for)

5/21/2014

Date

Project Environmental Analysis

The County's environmental review process incorporates all of the requirements for completing the Initial Study as required by the California Environmental Quality Act (CEQA) and the CEQA Guidelines. The Initial Study includes staff's on-site inspection of the project site and surroundings and a detailed review of the information in the project file. In addition, available background information is reviewed for each project. Relevant information regarding soil types and characteristics, geologic information, significant vegetation and/or wildlife resources, water availability, wastewater disposal services, existing land uses and surrounding land use categories and other information relevant to the environmental review process are evaluated for each project. Exhibit A includes the references used, as well as the agencies or groups that were contacted as a part of the Initial Study. The Environmental Division uses the checklist to summarize the results of the research accomplished during the initial environmental review of the project.

Persons, agencies or organizations interested in obtaining more information regarding the environmental review process for a project should contact the County of San Luis Obispo Environmental Division, 976 Osos St., Rm. 300, San Luis Obispo, CA, 93408-2040 or call (805) 781-5600.

A. PROJECT

DESCRIPTION: Request by Fallingstar Homes Inc. for an as-built grading permit for grading that resulted in 37.6 acres of disturbance including approximately 153,700 cubic yards of cut and 153,700 cubic yards of fill, on a 164.5 acre parcel over an approximate 19 month period. Grading that remains to be completed would include disturbance of approximately 1,500 square feet of an existing fill slope (unless the slope is determined to be stable by a soils engineer). The grading has allowed for construction of a barn, water tanks, and a horse exercise track, all of which have been developed. The exercise track is proposed for private use. It would not be used for special events. The proposed project is within the Agriculture land use category and is located at Arciero Farms, on the north side of Highway 46 East, approximately one-half mile east of McMillan Canyon Road, one-half mile west of the community of Shandon. The site is in the Shandon-Carrizo planning area.

ASSESSOR PARCEL NUMBER(S): 017-165-020

SUPERVISORIAL DISTRICT # 1

B. EXISTING SETTING

PLANNING AREA: Shandon/Carrizo, Shandon Rural

LAND USE CATEGORY: Agriculture

COMBINING DESIGNATION(S): None

EXISTING USES: Agricultural uses, and single-family residence(s)

TOPOGRAPHY: Gently sloping to very steeply sloping

VEGETATION: Grasses

PARCEL SIZE: ~ 164 acres

SURROUNDING LAND USE CATEGORIES AND USES:

<i>North:</i> Agriculture; vacant	<i>East:</i> Agriculture; single-family residence(s) agricultural uses
<i>South:</i> Agriculture; agricultural uses	<i>West:</i> Agriculture; agricultural uses

C. ENVIRONMENTAL ANALYSIS

During the Initial Study process, several issues were identified as having potentially significant environmental effects (see following Initial Study). Those potentially significant items associated with the proposed uses can be minimized to less than significant levels.

**COUNTY OF SAN LUIS OBISPO
INITIAL STUDY CHECKLIST**

1. AESTHETICS - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Create an aesthetically incompatible site open to public view?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Introduce a use within a scenic view open to public view?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Change the visual character of an area?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Create glare or night lighting, which may affect surrounding areas?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) <i>Impact unique geological or physical features?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) <i>Other: _____</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The project site is located approximately 2 miles west of the community of Shandon, immediately north of Highway 46. The project site is visible from Highway 46. Topography in the surrounding area consists of gently rolling hills. The Estrella River valley is located approximately 1/8 mile south of the project site and south of Highway 46. The surrounding area has been developed with large wineries as well as scattered residential development. These developments and agriculture accessory structures and uses such as barns and corrals are visible from the Highway. The area is generally considered rural, with agricultural activities, vineyards, and open spaces dominating views along Highway 46. The grading allowed construction of a horse exercise track, a pad for a barn, and a small stormwater detention basin. The barn structure has been previously approved as an agricultural structure, exempt from permitting.

The grading included cut and fill slopes of approximately 22 feet and 16 feet respectively. The exercise track is intended for use by the owner and would not include private or public events. No lighting of the exercise track is proposed.

Impact. The project includes structures and uses consistent with neighboring properties. The cut and fill slopes are large in some places, but are located in front of much larger natural slopes which rise hundreds of feet above the excavated areas when viewed from the highway. The graded slopes do not significantly contrast with the natural topography. The exercise track includes some landscaping for erosion control and the slopes, as of spring 2007, had been seeded with wildflowers. The intensity and types of activities which would occur as a result of the grading are consistent with other agricultural uses in the area such as vineyard development and tasting rooms. The cut and fill slopes around the exercise track (as of 2014) are currently stabilized with ongoing dry land farming

activities occurring around and within the track area. No significant visual impacts are expected to occur.

Mitigation/Conclusion. No mitigation measures are necessary.

2. AGRICULTURAL RESOURCES
- Will the project:

	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Convert prime agricultural land to non-agricultural use?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Impair agricultural use of other property or result in conversion to other uses?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) <i>Conflict with existing zoning or Williamson Act program?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The soil types are as follows:

Nacimiento-Ayar complex (9 - 30 % slope).

Nacimiento. This steeply to very steeply sloping, fine loamy soil is considered not well drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock, slow percolation. The soil is considered Class IV without irrigation and Class IV when irrigated.

Ayar. This steeply to very steeply sloping, fine loamy soil is considered very poorly drained. The soil has moderate erodibility and high shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock, slow percolation. The soil is considered Class IV without irrigation and Class IV when irrigated.

Nacimiento-Ayar complex (30 - 50 % slope).

Nacimiento. This steeply to very steeply sloping, fine loamy soil is considered not well drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock, slow percolation. The soil is considered Class VI without irrigation and Class is not rated when irrigated.

Ayar- This steeply to very steeply sloping, fine loamy soil is considered very poorly drained. The soil has moderate erodibility and high shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock, slow percolation. The soil is considered Class VI without irrigation and Class is not rated when irrigated.

Nacimiento-Los Osos complex (9 - 30 % slope).

Nacimiento. This moderately to steeply sloping, fine loamy soil is considered not well drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow

depth to bedrock, slow percolation. The soil is considered Class IV without irrigation and Class IV when irrigated.

Los Osos. This moderately to steeply sloping, fine loamy soil is considered not well drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock, slow percolation. The soil is considered Class IV without irrigation and Class IV when irrigated.

Mocho clay loam (2 - 9% slope). This gently sloping fine loamy bottom soil is considered moderately drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: slow percolation. The soil is considered Class IV without irrigation and Class II when irrigated.

Balcom-Calleguas complex (50 - 75 % slope).

Balcom. This very steeply sloping loamy soil is considered moderately drained. The soil has high erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock. The soil is considered Class VII without irrigation and Class is not rated when irrigated.

Callguas. This very steeply sloping loamy soil is considered very poorly drained. The soil has moderate erodibility and moderate shrink-swell characteristics, as well as having potential septic system constraints due to: steep slopes, shallow depth to bedrock. The soil is considered Class VII without irrigation and Class is not rated when irrigated.

The 164 acre parcel includes a variety of agricultural uses. The site includes approximately 8 acres of vineyards, 9 acres of olives, and 60 acres of dry-farmed grain (occasionally irrigated). The parcel also includes approximately 81 acres which are not farmable due to steep topography and intensive gullyng. The remaining 6 acres includes a house, utility shed, horse exercise track, and a barn.

The parcel is under a Williamson Act contract.

Impact. The project disturbed 37.5 acres of an approximately 164 acre parcel. The disturbed area included that which was previously dry farmed. Of the disturbed area, approximately 14 acres were considered prime soils (Class 2, when irrigated). The remaining disturbance occurred on soils of Class 4 (22 acres) or Class 7 (1 acre). Dry farming continues on these soils (confirmed by review of recent aerial photos) except for the area of the exercise track and adjacent slopes. The Class II soils were considered by the NRCS to be well drained and to have a high water capacity..

This project was referred to the Agricultural Commissioner's Office in 2006, which identified the following impacts:

1. Incompatibility with a Williamson Act contract encumbering the site. Extensive grading for horse facilities, commercial or private, can appreciably compromise a site's long-term agricultural productivity and can displace or impair current or reasonable foreseeable agricultural operations on contracted land.
2. Conversion of approximately 14 acres of prime farmland, the highest quality soil type and a limited agricultural resource.
3. Elimination of approximately ten acres of otherwise productive farmland from current or future agricultural use.
4. Compromised agricultural integrity. The presence of the exercise track compromises the agricultural integrity of the site, increasing future costs of production. They also noted that the project does not appear to meet Agriculture Policy 18, *Location of Improvements*.

The response also notes that the project would not be supported had the grading not already

occurred.

Mitigation/Conclusion. The Department of Planning and Building has determined that the project, including the exercise track, is compatible with the existing Williamson Act contract (Hoag / Wilson, 2009). No mitigation measures are necessary.

While 37 acres were identified as being impacted by grading activities in 2006, these impacts were not permanent and ongoing dry land farming has confirmed the site is suitable for this agricultural use. Permanent impacts / displacement of farmland occurred on six acres. This area includes the exercise track and the slopes surround the track areas that are not suitable for dry land farming. Of these six acres, approximately three acres are Class 2 (when irrigated) and approximately three acres are Class 4 (when irrigated). Due to the dry land farming activities that have successfully occurred since the violation (in the areas that were previously disturbed by grading activities) and the small area that was converted to an accessory use; the disturbance of prime soils is considered a less than significant impact with the identified mitigation. The Agricultural Commissioner's Office has provided various potential mitigation measures to offset the loss of agricultural resources. Two of these measures require a 2:1 ratio for the disturbance of the Class 2 and 4 soils through establishment of a farmland conservation easement or similar mechanism. The other measures take the form of a penalty pursuant to Section 22.52.140C. 7. The applicant would be required to implement one of the four options below *prior to issuance of the grading permit*:

1. Placement of a farmland conservation easement or other farmland conservation mechanism on the subject property. The easement or other mechanism should protect adequate on-site groundwater resources to allow for irrigated use on a minimum of 12 acres; limit the non-agricultural uses of the conservation easement to those uses that currently exist or other compatible agricultural uses; preclude future commercial uses in the easement area, restrict commercial use of the racetrack or the conversion of the agricultural exempt structures to other uses; and preclude new uses on the conservation easement except crop production, grazing and associated infrastructure such as wells, irrigation systems, and agricultural access roads.
2. Placement of a farmland conservation easement or other farmland conservation mechanism on a site with a minimum of 12 acres of capable soils with adequate irrigation capability and located in the vicinity of the subject site. The protected site's soils should include a minimum of 6 acres of NRCS capability class 1 or 2 soil and the remainder, up to 12 total acres, should be NRCS capability class 4 or better soils. As with item one above, adequate water resources should be protected and non-agricultural uses of the conservation easement area should be restricted.
3. Provide partial funding to assist the erosion control outreach programs of local Resource Conservation Districts.
4. Provide a conservation easement over the "S" including appropriate access for on-going maintenance of the "S" in perpetuity.

Other recommended mitigation measures to address the potential incompatibility between the exercise track and adjacent agricultural operations include implementing a stormwater management plan which would divert runoff away from boarding facilities. The project would also be limited so that the exercise track could not be used for commercial or visitor serving uses. These mitigation measures would reduce significant impacts to a less than significant level.

3. AIR QUALITY - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) Violate any state or federal ambient air quality standard, or exceed air quality emission thresholds as established by County Air Pollution Control District?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Expose any sensitive receptor to substantial air pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Create or subject individuals to objectionable odors?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be inconsistent with the District's Clean Air Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The Air Pollution Control District (APCD) has developed the 2003 CEQA Air Quality Handbook to evaluate project specific impacts and help determine if air quality mitigation measures are needed, or if potentially significant impacts could result. To evaluate long-term emissions, cumulative effects, and establish countywide programs to reach acceptable air quality levels, a Clean Air Plan has been adopted (prepared by APCD).

Impact. The project resulted in the disturbance of approximately 37.6 acres and approximately 300,000 cubic yards of material (cut and fill). These construction related activities created dust and resulted in short-term construction emissions. Grading activities occurred in relation to the as-built horse exercise track over an approximate nineteen month period according to a statement provided by the landowner and review of historic aerial photos. The grading was performed by applicant owned equipment consisting of a single scraper and bulldozer when there was available time to complete said improvements. Based upon further review by APCD and the additional information submitted by the applicant related to the construction schedule, the project did not exceed emission thresholds as established by the APCD. There would be minor additional grading required to provide "buttress fill" to the pad supporting the barn. Based on plans submitted, this would require much less than 2,000 cubic yards which is less than the general threshold developed by the APCD for determining significance of construction emissions. No significant air quality impacts resulted from the previous construction activities and no additional significant air quality impacts are expected to occur.

Mitigation/Conclusion. No mitigation measures are necessary.

4. BIOLOGICAL RESOURCES - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) Result in a loss of unique or special status species or their habitats?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. BIOLOGICAL RESOURCES - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
b) <i>Reduce the extent, diversity or quality of native or other important vegetation?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Impact wetland or riparian habitat?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Introduce barriers to movement of resident or migratory fish or wildlife species, or factors, which could hinder the normal activities of wildlife?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The following habitats were observed on the proposed project: Grasses

Based on the latest California Diversity database, and other biological references, the following is a list of sensitive vegetation, wildlife and/or habitat that have been identified as potentially being within the vicinity of the proposed project:

Plants- Temblor Buckwheat (*Eriogonum temblorense*) has been found 0.27 mile to the southwest.

Wildlife- San Joaquin pocket mouse (*Perognathus inornatus inornatus*) has been found about 0.24 mile to the southwest.

American badger (*Taxidea taxus*) have been found about 0.3 mile to the southwest. In California, Badgers range throughout the state except for the humid coastal forests of northwestern California (Del Norte and Humboldt Co). Badgers occupy a diversity of habitats. The principal requirements seem to be sufficient food, friable soils, and relatively open, uncultivated ground. Grasslands, savannas, and mountain meadows near timberline are preferred.

Tulare grasshopper mouse (*Onychomys torridus tularensis*) has been found near the project site.

Prairie falcon (*Falco mexicanus*) has been found about 0.98 mile to the southeast. This species is a California Species of Special Concern (CSC). The species frequent open habitats, including grasslands. The species nests on cliffs or in rock crevices in areas facing open habitat. Prairie falcon nests are very sensitive to disturbance during the breeding season. Typical prey items include small mammals, and birds taken in the air.

Southwestern pond turtle (*Emys (or Clemmys) marmorata pallida*) has been found about 0.33 mile to the southeast. Southwestern pond turtle is a federal and California Species of Special Concern. This is an aquatic turtle that uses upland habitat seasonally. They occur in ponds, streams, lakes, ditches, and marshes. The species prefers slow-water aquatic habitat with available basking sites nearby. Hatchlings require shallow water habitat with relatively dense submergent vegetation for foraging.

Habitat- San Joaquin kit fox (*Vulpes macrotis mutica*) habitat (4:1 ratio and 3:1 ratio on and adjacent to the site. The San Joaquin kit fox is Federal Endangered and California Threatened. The kit fox is uncommon to rare. They reside in arid regions of the southern half of the state (Grinnell et al. 1937, Wilson and Ruff 1999:150). This usually nocturnal mammal lives in annual grasslands or grassy open stages of vegetation dominated by scattered brush, shrubs, and scrub. Kit foxes primarily are carnivorous, subsisting on black-

tailed jackrabbits and desert cottontails, rodents (especially kangaroo rats and ground squirrels), insects, reptiles, and some birds, bird eggs, and vegetation (Egoscue 1962, Laughrin 1970, Morrell 1971, 1972, Orloff et al. 1986). Their cover is provided by dens they dig in open, level areas with loose-textured, sandy and loamy soils (Laughrin 1970, Morrell 1972). Pups are born in these dens in February through April. Pups are weaned at about 4-5 months. May not require a source of drinking water. Some agricultural areas may support these foxes. Potential predators are coyotes, large hawks and owls, eagles, and bobcats. Cultivation has eliminated much habitat. Kit foxes are vulnerable to many human activities, such as hunting, use of rodenticides and other poisons, off-road vehicles, and trapping.

California red-legged frog (*Rana aurora draytonii*) habitat has been found on and around the subject property. California red-legged frog is considered federally threatened. This species typically inhabits shorelines with extensive vegetation. The frog requires 11 to 20 weeks of permanent water for larval development.

Blue oak woodlands (<10% and 10-33% density) total approximately 68,500 acres in San Luis Obispo County. They are typically found in the foothills bordering hot interior valleys of the county below the 3,500-foot elevation. Common bordering habitats are grassland and chaparral communities. The deciduous blue oak (*Quercus douglasii*) is the dominant species. Other tree species commonly found in this habitat include: gray pine, coast live oak, valley oak, and interior live oak. Historic threats to this woodland include: rangeland clearing, urban conversion, firewood, and poor regeneration due to grazing and competition with non-native vegetation.

A kit fox habitat assessment was performed for the project site in 2003. It was updated in September 2007 (Morro Group, 2007). The updated assessment scored the project site a 63. Review by Bob Stafford of the California Department of Fish and Game (CDFG) raised the score to 73. The raise was due to a recent kit fox siting within 3 miles of the project site. A score of 73 corresponds to a 3:1 mitigation requirement.

Impact. The project site does not support any sensitive native vegetation as it has been consistently dry farmed for many years. The site was determined to be suitable kit fox habitat. Total permanent disturbance resulting from the grading activities associated with Kit Fox habitat is as follows: exercise track (2.5 acres) and the flat areas necessary for the barn and water tanks (1.6 acres). Total permanent habitat loss requiring mitigation would therefore equal 4.1 acres.

Mitigation/Conclusion. Other than minor grading required for the buttress fill near the barn pad (as necessary based on soils engineer recommendations), all grading has already occurred. The fill would occur on previously disturbed areas of the pad. Therefore kit fox mitigation would only include the habitat compensation portion of the standard kit fox mitigation measures. Pre-construction surveys and worker orientation will not be required. Habitat conservation will equal 12.3 acres (4.1 acres of disturbance x 3).

No additional mitigation measures are necessary.

5. CULTURAL RESOURCES - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Disturb pre-historic resources?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Disturb historic resources?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Disturb paleontological resources?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

5. CULTURAL RESOURCES - Potentially Significant Impact can & will be mitigated Insignificant Impact Not Applicable
Will the project:

d) *Other:* _____

Setting. The project is located in an area historically occupied by the Obispeno Chumash, Salinan and Yokut. No historic structures are present and no paleontological resources are known to exist in the area.

Impact. The project is located in proximity to the Estrella River, an area that would be considered culturally sensitive and typically associated with prehistoric occupation. Review of existing survey data performed on the larger project site for a proposed winery resulted in negative findings associated with cultural resources. There is no indication that cultural resources exist in the project area or were affected by the proposed project.

Mitigation/Conclusion. There is a small additional amount of grading to be performed near the barn pad. The grading would include adding additional fill to the existing fill slope supporting the barn. No additional disturbance of native soils is required. No significant cultural resource impacts are expected to occur, and no mitigation measures are necessary.

6. GEOLOGY AND SOILS - Potentially Significant Impact can & will be mitigated Insignificant Impact Not Applicable
Will the project:

- a) *Result in exposure to or production of unstable earth conditions, such as landslides, earthquakes, liquefaction, ground failure, land subsidence or other similar hazards?*
- b) *Be within a California Geological Survey "Alquist-Priolo" Earthquake Fault Zone"?*
- c) *Result in soil erosion, topographic changes, loss of topsoil or unstable soil conditions from project-related improvements, such as vegetation removal, grading, excavation, or fill?*
- d) *Change rates of soil absorption, or amount or direction of surface runoff?*
- e) *Include structures located on expansive soils?*
- f) *Change the drainage patterns where substantial on- or off-site sedimentation/ erosion or flooding may occur?*
- g) *Involve activities within the 100-year flood zone?*

6. GEOLOGY AND SOILS - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
h) <i>Be inconsistent with the goals and policies of the County's Safety Element relating to Geologic and Seismic Hazards?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) <i>Preclude the future extraction of valuable mineral resources?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
j) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. GEOLOGY - The topography of the project is gently sloping to very steeply sloping. The area proposed for development is outside of the Geologic Study Area designation. The landslide risk potential is considered low to moderate. The liquefaction potential during a ground-shaking event is considered moderate to high. Active faulting is known to exist about 5.85 miles east of the subject property. The project is not within a known area containing serpentine or ultramafic rock or soils.

DRAINAGE – The area proposed for development is not within the 100-year Flood Hazard designation. The closest creeks (Estrella river and McMillan Canyon creek) from the proposed development are approximately 0.12 mile to the south and 0.05 mile to the northwest. As described in the Natural Resource Conservation Service Soil Survey, the soil is considered very poor to moderately drained. For areas where drainage is identified as a potential issue, the Land Use Ordinance (LUO Sec. 22.52.080 or CZLUO Sec. 23.05.042) includes a provision to prepare a drainage plan to minimize potential drainage impacts. When required, this plan would need to address measures such as: constructing on-site retention or detention basins, or installing surface water flow dissipaters. This plan would also need to show that the increased surface runoff would have no more impacts than that caused by historic flows.

SEDIMENTATION AND EROSION – The soil types and descriptions are listed in the previous Agriculture section under “Setting”. As described in the NRCS Soil Survey, the soil surface is considered to have moderate to high erodibility and moderate to high shrink-swell characteristics.

When highly erosive conditions exist, a sedimentation and erosion control plan is required (LUO Sec. 22.52.090, CZLUO Sec. 23.05.036) to minimize these impacts. When required, the plan is prepared by a civil engineer to address both temporary and long-term sedimentation and erosion impacts. Projects involving more than one acre of disturbance are subject to the preparation of a Storm Water Pollution Prevention Plan (SWPPP), which focuses on controlling storm water runoff. The Regional Water Quality Control Board is the local extension who monitors this program.

The applicant prepared a SWPPP and received a waste discharge authorization from the State Water Resources Control Board.

Impact. The project disturbance was approximately 37.6 acres. Additional disturbance is limited to approximately 1,500 square feet for remedial work associated with a fill slope near the barn area.

Mitigation/Conclusion. There is no evidence that measures above what will already be required by ordinance or codes are needed.

7. HAZARDS & HAZARDOUS MATERIALS - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
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7. HAZARDS & HAZARDOUS MATERIALS - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) Result in a risk of explosion or release of hazardous substances (e.g. oil, pesticides, chemicals, radiation) or exposure of people to hazardous substances?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Interfere with an emergency response or evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Expose people to safety risk associated with airport flight pattern?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Increase fire hazard risk or expose people or structures to high fire hazard conditions?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Create any other health hazard or potential hazard?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The project is not located in an area of known hazardous material contamination. The project is not within a high severity risk area for fire. The project is not within the Airport Review area.

Impact. The project does not propose the use of hazardous materials. The project does not present a significant fire safety risk. The project is not expected to conflict with any regional evacuation plan.

Mitigation/Conclusion. No significant impacts as a result of hazards or hazardous materials are anticipated, and no mitigation measures are necessary.

8. NOISE - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) Expose people to noise levels that exceed the County Noise Element thresholds?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Generate increases in the ambient noise levels for adjoining areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Expose people to severe noise or vibration?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The project is within close proximity of Highway 46, a loud noise source, but will not conflict with any sensitive noise receptors (e.g., residences). The project does not include any residential or any other sensitive receptor component.

Impact. The project is not expected to generate loud noises, nor conflict with the surrounding uses.

Mitigation/Conclusion. No significant noise impacts are anticipated, and no mitigation measures are necessary.

9. POPULATION/HOUSING - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Induce substantial growth in an area either directly or indirectly (e.g., through projects in an undeveloped area or extension of major infrastructure)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Displace existing housing or people, requiring construction of replacement housing elsewhere?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Create the need for substantial new housing in the area?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Use substantial amount of fuel or energy?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. In its efforts to provide for affordable housing, the county currently administers the Home Investment Partnerships (HOME) Program and the Community Development Block Grant (CDBG) program, which provides limited financing to projects relating to affordable housing throughout the county.

Impact. The project will not result in a need for a significant amount of new housing, and will not displace existing housing.

Mitigation/Conclusion. No significant population and housing impacts are anticipated, and no mitigation measures are necessary.

10. PUBLIC SERVICES/UTILITIES - <i>Will the project have an effect upon, or result in the need for new or altered public services in any of the following areas:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Fire protection?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Police protection (e.g., Sheriff, CHP)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Schools?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Roads?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Solid Wastes?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

10. PUBLIC SERVICES/UTILITIES - <i>Will the project have an effect upon, or result in the need for new or altered public services in any of the following areas:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
f) <i>Other public facilities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The project area is served by the County Sheriff's Department and CAL FIRE as the primary emergency responders. The closest CAL FIRE fire station (31 Shandon) is approximately 3 miles to the south. The closest Sheriff substation is in Templeton, which is approximately 23.06 miles southwest from the proposed project. The project is located in the Shandon Joint Unified School District.

Impact. No significant project-specific impacts to utilities or public services were identified. This project, along with others in the area, will not have a cumulative effect on police and fire protection, and schools.

Mitigation/Conclusion. Regarding cumulative effects, public facility (county) and school (State Government Code 65995 et seq.) fee programs have been adopted to address this impact. Since the project will not contribute to cumulative impacts associated with public services or utilities, the project is not subject to these fees and will not result in impacts to said services.

11. RECREATION - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Increase the use or demand for parks or other recreation opportunities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Affect the access to trails, parks or other recreation opportunities?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Other</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The County Trails Plan does not show that a potential trail goes through the proposed project. The project is not proposed in a location that will affect any trail, park or other recreational resource.

Impact. The proposed project will not create a significant need for additional park or recreational resources.

Mitigation/Conclusion. No significant recreation impacts are anticipated, and no mitigation measures are necessary.

12. TRANSPORTATION/ CIRCULATION - Will the project:	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Increase vehicle trips to local or areawide circulation system?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**12. TRANSPORTATION/
CIRCULATION - Will the project:**

	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
b) Reduce existing "Levels of Service" on public roadway(s)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Create unsafe conditions on public roadways (e.g., limited access, design features, sight distance, slow vehicles)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Provide for adequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Result in inadequate parking capacity?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Result in inadequate internal traffic circulation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., pedestrian access, bus turnouts, bicycle racks, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
h) Result in a change in air traffic patterns that may result in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. Future development will access onto the following public road: Highway 46. The exercise track is for personal use and would not generate additional trips to the project site. All vehicles access the site using an existing road.

Impact. The proposed project would not generate any new trips and therefore would not change existing road service or traffic safety levels.

Mitigation/Conclusion. No significant traffic impacts were identified, and no mitigation measures are necessary.

13. WASTEWATER - Will the project:

	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) Violate waste discharge requirements or Central Coast Basin Plan criteria for wastewater systems?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Change the quality of surface or ground water (e.g., nitrogen-loading, daylighting)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

13. WASTEWATER - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
c) <i>Adversely affect community wastewater service provider?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Other: _____</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. As described in the NRCS Soil Survey (see Agriculture section for soil types and descriptions), the main limitations for on-site wastewater systems relates to: slow percolation, steep slopes, shallow depth to bedrock, however no wastewater system is proposed

Mitigation/Conclusion. No wastewater system is required for the proposed project, therefore no wastewater impacts are anticipated. No mitigation measures are required.

14. WATER - <i>Will the project:</i>	Potentially Significant	Impact can & will be mitigated	Insignificant Impact	Not Applicable
a) <i>Violate any water quality standards?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) <i>Discharge into surface waters or otherwise alter surface water quality (e.g., turbidity, temperature, dissolved oxygen, etc.)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Change the quality of groundwater (e.g., saltwater intrusion, nitrogen-loading, etc.)?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Change the quantity or movement of available surface or ground water?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Adversely affect community water service provider?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) <i>Other: _____</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting. The project proposes to use an on-site well as its water source. Water would be required for occasional dust control during use of the exercise track. Based on available information, the proposed water source is not known to have any significant availability or quality problems.

The topography of the project is gently sloping to very steeply sloping. The closest water sources (Estrella River and McMillan Canyon Creek) from the proposed development are approximately 0.12 mile to the south and 0.05 mile to the northwest. As described in the NRCS Soil Survey, the soil surface is considered to have moderate to high erodibility.

Projects involving more than one acre of disturbance are subject to preparing a Storm Water Pollution Prevention Plan (SWPPP) to minimize on-site sedimentation and erosion. When work is done in the rainy season, the County Ordinance requires that temporary sedimentation and erosion control measures be installed during the rainy season.

Impact. The proposed project would only require occasional water use for dust control on the exercise track. The amount required for dust control would be minimal. The applicant has already prepared a SWPPP and it has been accepted by the State Water Resources Control Board.

Mitigation/Conclusion. Measures to address runoff from the proposed use are provided in Section 2 – Agricultural Resources. Since no other potentially significant water quantity or quality impacts were identified, no specific measures above standard requirements have been determined necessary. Standard drainage and erosion control measures will be required for the proposed project and will provide sufficient measures to adequately protect surface water quality.

15. LAND USE - Will the project:	Inconsistent	Potentially Inconsistent	Consistent	Not Applicable
a) <i>Be potentially inconsistent with land use, policy/regulation (e.g., general plan [county land use element and ordinance], local coastal plan, specific plan, Clean Air Plan, etc.) adopted to avoid or mitigate for environmental effects?</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) <i>Be potentially inconsistent with any habitat or community conservation plan?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) <i>Be potentially inconsistent with adopted agency environmental plans or policies with jurisdiction over the project?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) <i>Be potentially incompatible with surrounding land uses?</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) <i>Other:</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Setting/Impact. Surrounding uses are identified on Page 2 of the Initial Study. The proposed project was reviewed for consistency with policy and/or regulatory documents relating to the environment and appropriate land use (e.g., County Land Use Ordinance, Local Coastal Plan, etc.). The project is not within or adjacent to a Habitat Conservation Plan area. The project is consistent or compatible with the surrounding uses as summarized on page 2 of this Initial Study.

This project is being permitted after grading activities occurred (as-built) and may not have been supported by the Agriculture Commissioner’s office due to the conversion of agricultural lands to a non agricultural use. Since this violation occurred, the Agriculture Commissioner’s office has provided options for penalties associated with the work completed to date that would offset the impacts to agricultural resources. Restoration was not a desired option of the applicant. The Department of Planning and Building therefore supports the recommended measures (see Section 2 – Agricultural Resources) based on the actions that have occurred to date on the subject parcel.

Mitigation/Conclusion. The project has resulted in impacts to agricultural resources addressed in the Agriculture and Open Space Element of the General Plan. Mitigation measures described in the Agricultural Resources section of the initial study reduce the potential inconsistencies to a less than significant level.

Exhibit A - Initial Study References and Agency Contacts

The County Planning or Environmental Division have contacted various agencies for their comments on the proposed project. With respect to the subject application, the following have been contacted (marked with an) and when a response was made, it is either attached or in the application file:

<u>Contacted</u>	<u>Agency</u>	<u>Response</u>
<input checked="" type="checkbox"/>	County Public Works Department	In File**
<input type="checkbox"/>	County Environmental Health Division	Not Applicable
<input checked="" type="checkbox"/>	County Agricultural Commissioner's Office	In File**
<input type="checkbox"/>	County Airport Manager	Not Applicable
<input type="checkbox"/>	Airport Land Use Commission	Not Applicable
<input type="checkbox"/>	Air Pollution Control District	Not Applicable
<input type="checkbox"/>	County Sheriff's Department	Not Applicable
<input type="checkbox"/>	Regional Water Quality Control Board	Not Applicable
<input type="checkbox"/>	CA Coastal Commission	Not Applicable
<input checked="" type="checkbox"/>	CA Department of Fish and Game	In File**
<input type="checkbox"/>	CA Department of Forestry (Cal Fire)	Not Applicable
<input type="checkbox"/>	CA Department of Transportation	Not Applicable
<input type="checkbox"/>	Community Service District	Not Applicable
<input type="checkbox"/>	Other _____	Not Applicable
<input type="checkbox"/>	Other _____	Not Applicable

** "No comment" or "No concerns"-type responses are usually not attached

The following checked ("") reference materials have been used in the environmental review for the proposed project and are hereby incorporated by reference into the Initial Study. The following information is available at the County Planning and Building Department.

<input checked="" type="checkbox"/> Project File for the Subject Application	<input checked="" type="checkbox"/> Shandon/Carrizo Area Plan and Update EIR
<u>County documents</u>	<input type="checkbox"/> Circulation Study
<input type="checkbox"/> Airport Land Use Plans	<u>Other documents</u>
<input checked="" type="checkbox"/> Annual Resource Summary Report	<input checked="" type="checkbox"/> Archaeological Resources Map
<input type="checkbox"/> Building and Construction Ordinance	<input checked="" type="checkbox"/> Area of Critical Concerns Map
<input type="checkbox"/> Coastal Policies	<input checked="" type="checkbox"/> Areas of Special Biological Importance Map
<input checked="" type="checkbox"/> Framework for Planning (Coastal & Inland)	<input checked="" type="checkbox"/> California Natural Species Diversity Database
<input checked="" type="checkbox"/> General Plan (Inland & Coastal), including all maps & elements; more pertinent elements considered include:	<input checked="" type="checkbox"/> Clean Air Plan
<input checked="" type="checkbox"/> Agriculture & Open Space Element	<input checked="" type="checkbox"/> Fire Hazard Severity Map
<input checked="" type="checkbox"/> Energy Element	<input checked="" type="checkbox"/> Flood Hazard Maps
<input checked="" type="checkbox"/> Environment Plan (Conservation, Historic and Esthetic Elements)	<input checked="" type="checkbox"/> Natural Resources Conservation Service Soil Survey for SLO County
<input checked="" type="checkbox"/> Housing Element	<input checked="" type="checkbox"/> Regional Transportation Plan
<input checked="" type="checkbox"/> Noise Element	<input checked="" type="checkbox"/> Uniform Fire Code
<input type="checkbox"/> Parks & Recreation Element	<input checked="" type="checkbox"/> Water Quality Control Plan (Central Coast Basin – Region 3)
<input checked="" type="checkbox"/> Safety Element	<input checked="" type="checkbox"/> GIS mapping layers (e.g., habitat, streams, contours, etc.)
<input checked="" type="checkbox"/> Land Use Ordinance	<input type="checkbox"/> Other _____
<input type="checkbox"/> Real Property Division Ordinance	
<input type="checkbox"/> Trails Plan	
<input type="checkbox"/> Solid Waste Management Plan	

In addition, the following project specific information and/or reference materials have been considered as a part of the Initial Study:

Earth Systems Pacific, *Horse Barn Graded Area . . .*, May 15, 2008.

Earth Systems Pacific, *Arciero Agricultural Graded Area . . .*, June 10, 2008.

Earth Systems Pacific, *Arciero Graded Areas...*, March 26, 2014.

Morro Group, *Results of San Joaquin Kit Fox Habitat Evaluation . . .*, September 18, 2007.

Wilson, Murry. *Personal communication via electronic mail*, various dates in 2008 and 2009.

Exhibit B - Mitigation Summary Table

Agricultural Resources

AR-1 Prior to issuance of the grading permit, the applicant shall implement one of the following four options:

- A. Placement of a farmland conservation easement or other farmland conservation mechanism on the subject property. The easement or other mechanism should protect adequate on-site groundwater resources to allow for irrigated use on a minimum of 12 acres; limit the non-agricultural uses of the conservation easement to those uses that currently exist or other compatible agricultural uses; preclude future commercial uses in the easement area, restrict commercial use of the racetrack or the conversion of the agricultural exempt structures to other uses; and preclude new uses on the conservation easement except crop production, grazing and associated infrastructure such as wells, irrigation systems, and agricultural access roads.
- B. Placement of a farmland conservation easement or other farmland conservation mechanism on a site with a minimum of 12 acres of capable soils with adequate irrigation capability and located in the vicinity of the subject site. The protected site's soils should include a minimum of 6 acres of NRCS capability class 1 or 2 soil and the remainder, up to 12 total acres, should be NRCS capability class 4 or better soils. As with item one above, adequate water resources should be protected and non-agricultural uses of the conservation easement area should be restricted.
- C. Provide partial funding to assist the erosion control outreach programs of local Resource Conservation Districts.
- D. Provide a conservation easement over the "S" including appropriate access for on-going maintenance of the "S" in perpetuity.

AR-2 Prior to issuance of the grading permit, the applicant shall prepare a stormwater management plan that:

- Detains/retains stormwater runoff in a basin(s) developed within the existing limits of the graded area.
- Diverts runoff away from any horse-keeping areas into an appropriate retention basin(s).
- Includes an operation and maintenance plan which ensures that stormwater facilities continue to function as intended for the life of the proposed use.

AR-3 Commercial or visitor-serving use of the horse facilities shall be prohibited.

Biological Resources

BR-1 Prior to issuance of construction permits, the applicant shall submit evidence to the County of San Luis Obispo, Department of Planning and Building, Environmental and Resource Management Division (County) (see contact information below) that states that one or a combination of the following three San Joaquin kit fox mitigation measures has been implemented:

- a. Provide for the protection in perpetuity, through acquisition of fee or a conservation easement of 12.3 acres of suitable habitat in the kit fox corridor area (e.g. within the San Luis

Obispo County kit fox habitat area, northwest of Highway 58), off-site, and provide for a non-wasting endowment to provide for management and monitoring of the property in perpetuity. Lands to be conserved shall be subject to the review and approval of the California Department of Fish and Game (Department) and the County.

This mitigation alternative (a.), requires that all aspects if this program must be in place before County permit issuance or initiation of any ground disturbing activities.

b. Deposit funds into an approved in-lieu fee program, which would provide for the protection in perpetuity of suitable habitat in the kit fox corridor area within San Luis Obispo County, and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.

Mitigation alternative (b) above, can be completed by providing funds to The Nature Conservancy (TNC) pursuant to the Voluntary Fee-Based Compensatory Mitigation Program (Program). The Program was established in agreement between the Department and TNC to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The fee, payable to "The Nature Conservancy", would total \$30,750. This fee is calculated based on the current cost-per-unit of \$2500 per acre of mitigation, which is scheduled to be adjusted to address the increasing cost of property in San Luis Obispo County; your actual cost may increase depending on the timing of payment. This fee must be paid after the Department provides written notification about your mitigation options but prior to County permit issuance and initiation of any ground disturbing activities.

c. Purchase 12.3 credits in a Department-approved conservation bank, which would provide for the protection in perpetuity of suitable habitat within the kit fox corridor area and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.

Mitigation alternative (c) above, can be completed by purchasing credits from the Palo Prieto Conservation Bank (see contact information below). The Palo Prieto Conservation Bank was established to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The cost for purchasing credits is payable to the owners of The Palo Prieto Conservation Bank, and would total \$30,750. This fee is calculated based on the current cost-per-credit of \$2500 per acre of mitigation. The fee is established by the conservation bank owner and may change at any time. Your actual cost may increase depending on the timing of payment. Purchase of credits must be completed prior to County permit issuance and initiation of any ground disturbing activities.

DATE: November 10, 2009
REVISED: May 21, 2014

**DEVELOPER'S STATEMENT FOR FALLINGSTAR HOMES GRADING PERMIT
ED07-067 (PMT2006-02485)**

The applicant agrees to incorporate the following measures into the project. These measures become a part of the project description and therefore become a part of the record of action upon which the environmental determination is based. All development activity must occur in strict compliance with the following mitigation measures. These measures shall be perpetual and run with the land. These measures are binding on all successors in interest of the subject property.

Note: The items contained in the boxes labeled "Monitoring" describe the County procedures to be used to ensure compliance with the mitigation measures.

Agricultural Resources

AR-1 Prior to issuance of the grading permit, the applicant shall implement one of the following four options:

- A. Placement of a farmland conservation easement or other farmland conservation mechanism on the subject property. The easement or other mechanism should protect adequate on-site groundwater resources to allow for irrigated use on a minimum of 12 acres; limit the non-agricultural uses of the conservation easement to those uses that currently exist or other compatible agricultural uses; preclude future commercial uses in the easement area, restrict commercial use of the racetrack or the conversion of the agricultural exempt structures to other uses; and preclude new uses on the conservation easement except crop production, grazing and associated infrastructure such as wells, irrigation systems, and agricultural access roads.
- B. Placement of a farmland conservation easement or other farmland conservation mechanism on a site with a minimum of 12 acres of capable soils with adequate irrigation capability and located in the vicinity of the subject site. The protected site's soils should include a minimum of 6 acres of NRCS capability class 1 or 2 soil and the remainder, up to 12 total acres, should be NRCS capability class 4 or better soils. As with item one above, adequate water resources should be protected and non-agricultural uses of the conservation easement area should be restricted.
- C. Provide partial funding to assist the erosion control outreach programs of local Resource Conservation Districts.
- D. Provide a conservation easement over the "S" including appropriate access for on-going maintenance of the "S" in perpetuity.

Monitoring: Compliance will be verified by the Department of Planning and Building prior to issuance of the grading permit.

- AR-2** Prior to issuance of the grading permit, the applicant shall prepare a stormwater management plan that:
- Detains/retains stormwater runoff in a basin(s) developed within the existing limits of the graded area.

- Diverts runoff away from any horse-keeping areas into an appropriate retention basin(s).
- Includes an operation and maintenance plan which ensures that stormwater facilities continue to function as intended for the life of the proposed use.

Monitoring: Department of Planning and Building will verify inclusion of required elements on plans. Building inspector / planner will verify compliance with approved plans.

AR-3 Commercial or visitor-serving use of the horse facilities shall be prohibited.

Monitoring: Compliance will be verified by the Department of Planning and Building in perpetuity.

Biological Resources

BR-1 Prior to issuance of construction permits, the applicant shall submit evidence to the County of San Luis Obispo, Department of Planning and Building, Environmental and Resource Management Division (County) (see contact information below) that states that one or a combination of the following three San Joaquin kit fox mitigation measures has been implemented:

- Provide for the protection in perpetuity, through acquisition of fee or a conservation easement of 12.3 acres of suitable habitat in the kit fox corridor area (e.g. within the San Luis Obispo County kit fox habitat area, northwest of Highway 58), off-site, and provide for a non-wasting endowment to provide for management and monitoring of the property in perpetuity. Lands to be conserved shall be subject to the review and approval of the California Department of Fish and Game (Department) and the County.

This mitigation alternative (a.), requires that all aspects of this program must be in place before County permit issuance or initiation of any ground disturbing activities.

- Deposit funds into an approved in-lieu fee program, which would provide for the protection in perpetuity of suitable habitat in the kit fox corridor area within San Luis Obispo County, and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.

Mitigation alternative (b) above, can be completed by providing funds to The Nature Conservancy (TNC) pursuant to the Voluntary Fee-Based Compensatory Mitigation Program (Program). The Program was established in agreement between the Department and TNC to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The fee, payable to "The Nature Conservancy", would total \$30,750. This fee is calculated based on the current cost-per-unit of \$2500 per acre of mitigation, which is scheduled to be adjusted to address the increasing cost of property in San Luis Obispo County; your actual cost may increase depending on the timing of payment. This fee must be paid after the Department provides written notification about your mitigation options but prior to County permit issuance and initiation of any ground disturbing activities.

- Purchase 12.3 credits in a Department-approved conservation bank, which would provide for the protection in perpetuity of suitable habitat within the kit fox corridor area and provide for a non-wasting endowment for management and monitoring of the property in perpetuity.

Mitigation alternative (c) above, can be completed by purchasing credits from the Palo Prieto Conservation Bank (see contact information below). The Palo Prieto Conservation Bank was established to preserve San Joaquin kit fox habitat, and to provide a voluntary mitigation alternative to project proponents who must mitigate the impacts of projects in accordance with the California Environmental Quality Act (CEQA). The cost for purchasing credits is payable to the owners of The Palo Prieto Conservation Bank, and would total \$30,750. This fee is calculated based on the current cost-per-credit of \$2500 per acre of mitigation. The fee is established by the conservation bank owner and may change at any time. Your actual cost may increase depending on the timing of payment. Purchase of credits must be completed prior to County permit issuance and initiation of any ground disturbing activities.

Monitoring: Compliance will be verified by the Department of Planning and Building prior to issuance of the grading permit.

The applicant understands that any changes made to the project description subsequent to this environmental determination must be reviewed by the Environmental Coordinator and may require a new environmental determination for the project. By signing this agreement, the owner(s) agrees to and accepts the incorporation of the above measures into the proposed project description.

[Handwritten Signature] FRANK ARIZONA JR. 5/27/2014
Signature of Owner(s) Name (Print) Date