

**MONARCH DUNES ALF, LLC
GENERAL PLAN AND WOODLANDS
SPECIFIC PLAN AMENDMENTS AND
CONDITIONAL USE PERMIT FOR
ASSISTED LIVING FACILITY**

Environmental Impact Report Addendum

**LRP2016-00008/DRC2016-00069
ED16-198/ED16-199**

April 11, 2017

Prepared by:
County of San Luis Obispo
Department of Planning and Building

1.0 INTRODUCTION

1.1 Project Description

The project is a request for amendments to the Woodlands Specific Plan and the Official Maps – Part IV of the Land Use and Circulation Element of the General Plan, and for a Conditional Use Permit to develop an assisted living facility (ALF) within the Woodlands Specific Plan area. The amendments to the Woodlands Specific Plan and Official Maps (Exhibit G) would rezone a 4.57 acre site from Commercial Service/Business Park (CS/BP) to Office and Professional (OP) to allow for the development of an assisted living and memory care facility, or other potential uses compatible with the surrounding neighborhood, adjacent to the Woodlands Village Center (Exhibit C). The proposal would also reduce the allowed number of rooms at the resort from 500 to 400.

Should the assisted living facility not be developed, then the site could potentially be developed with one or more uses that would be compatible with the Village Center (offices, banks, grocery stores, personal services). Each of these uses are currently allowable in the Woodlands Specific plan in either the CS/BP category or the Commercial Retail (CR) category. The specific plan identifies the subject site as a three-acre site in the CS/BP category. Therefore, based on Woodlands Specific Plan Section 2.4.2.E, the estimated maximum floor area for current uses (with a floor area ratio of 0.35) for the site would be approximately 46,000 square feet (3.0 times 43,560 times 0.35). The maximum floor area for remaining business park would be 289,000 square feet if this site were to be fully developed with CS/BP uses.

The project site is fairly level and was preliminarily graded with tract improvements; it was at one time occupied by a temporary golf course maintenance and cart storage facility, but currently the site is vacant. The preliminary grading plan shows 13,009 cubic yards of cut soil and 9,586 cubic yards of fill. 3,424 cubic yards of soil would be exported from the site. The project site and all other phases of the Woodlands development completely drain to onsite historical (undrained) depressions.

1.2 Environmental Document

This Addendum, the previously certified 1998 Woodlands Specific Plan Final Environmental Impact Report (FEIR), and the previously certified 2001 Woodlands Specific Plan Final Supplemental Environmental Impact Report (FSEIR) together make up the environmental documentation for the proposed project. The FEIR and FSEIR can be found on the San Luis Obispo County Department of Planning and Building website, under “Environmental Impact Reports,” see “Woodlands Specific Plan Amendment” at <http://www.slocounty.ca.gov/planning.htm> or copies may be viewed at Department offices at 976 Osos Street, Room 200, San Luis Obispo.

1.3 Background

1.3.1 Woodlands Specific Plan

On December 15, 1998, the County Board of Supervisors certified the FEIR for the adoption of the Woodlands Specific Plan. The Specific Plan and FEIR are intended to provide the framework for an orderly development of the Woodlands property consistent with the County of San Luis Obispo General Plan. The Woodlands is a 957-acre, mixed-use project located on the Nipomo Mesa approximately two miles west of the community of Nipomo, on the east side of Highway One, and approximately ½ mile

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south of Willow Road. The Specific Plan includes a residential component of 1,320 units (1,220 single-family units and 100 multi-family units), a commercial retail component of up to 140,000 square feet of floor area in the Village Center (approximately 10 acres in area), a commercial service/business park component (approximately 22 acres in area) for up to 335,000 square feet of floor area, an 18-acre resort site for up to 500 rooms, three golf courses, a 10-acre park site, an 11-acre butterfly preserve, and a variety trails, buffers, play areas, and common areas (Exhibit B). Development is to occur in four major phases: 1A, 1B, 2A, and 2B. The subject site was graded as part of Phase 1A.

“Three Acre Business Park” – The specific plan identifies the subject site as a three-acre site in the CS/BP category. The CS/BP category is limited to a maximum cumulative floor area of 335,000 square feet. That limitation was based on the analyses in the FEIR for potential environmental impacts to resources that generally relate to the size or operation of a project (such as water resources and traffic) versus the impacts to resources due to a project’s location (such as biological and cultural resources). The 335,000 square foot threshold was derived at by using an expected floor area ratio (FAR) of 0.35 per acre of land. Therefore, a three acre site would be expected to have approximately 46,000 square feet of total floor area (3 times 43,560 times 0.35). Through the approval of Tract 2341, the subject site was increased to 4.57 acres. In order to preserve the development potential of the other business park parcels, should the ALF not be built, the subject site would be limited to a maximum of 46,000 square feet of floor area of office/professional uses. The AFL is proposed to be approximately 140,000 square feet in floor area. Because the ALF is not a typical OP use, staff is recommending the size of the ALF be allowed to be greater than 46,000 (with Conditional Use Permit approval), provided the impacts to water supply and traffic can be equal to or less than those impacts evaluated in the FEIR and FSEIR.

For consistency within the specific plan as a planning level document, and with the various EIR analyses, the subject site will continue to be identified as a three acre site throughout the specific plan.

1.3.2 Land Use Entitlements

On December 17, 2002, the Board of Supervisors approved the master Development Plan (S990187U) and Vesting Tentative Tract Map 2341, which covered the entire 957 acres. S990187U requires a Development Plan (Conditional Use Permit) for each major phase. On December 17, 2002 the Board of Supervisors also approved D990195D for the development of Phase 1A, D950194D for the development of the Phase 1A 18-hole golf course, and pursuant to Government Code Section 66473.7, made determination and verification that a sufficient water supply is available for Tract 2341. A Conditional Use Permit (DRC2004-00261) for the development of Phase 1B (368 single-family residences, 9-hole golf course, 11-acre park, resort site infrastructure) was approved on January 2, 2007. A Conditional Use Permit (DRC2014-00130) for the development for Phase 2A (242 single-family residences, roads, open space) was approved on January 28, 2016.

On January 8, 2002 the Board of Supervisors certified the 2001 FSEIR for an amendment to the Growth Management Ordinance (GMO), Title 26 of the County Code. The amendment added provision to the GMO to allow allocations for residential building permits to be received at a rate to allow Woodlands Village to be built out in a ten to fifteen year period. The FSEIR focused on groundwater supply only.

1.3.3 Development Summary

Residential single-family development within Phase 1A commenced in 2005. Thirty-six multi-family units were constructed within Phase 1A between 2009 and 2012. The Phase 1A golf course was completed in 2006, and the Trilogy Center was completed in 2008. Currently, residential development in Phases 1A and 1B is over 90 percent completed. Residential single-family development within Phase 2A commenced in 2016 and is currently under construction.

Development within the 19-acre business park commenced in 2010. A 9,600 square-foot office building was built in 2010. A 19,500 square-foot warehouse and distribution center was approved in 2016 and is

currently under construction. A 32,000 square-foot public storage facility was approved in 2017 and is currently under construction plan review.

1.4 EIR Addendum

Per Section 15164 of the CEQA Guidelines, an addendum to a previously-certified EIR shall be prepared if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.

Section 15164 also states:

- An addendum need not be circulated for public review but can be included in or attached to the final EIR.
- The decision making body shall consider the addendum with the final EIR (and final SFEIR) prior to making a decision on the project.
- A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 (see Section 3.0) should be included in the addendum to an EIR, the lead agency's findings on the project, or elsewhere in the record.

The square-footage of commercial uses within Woodlands would not be increased with this project. The proposed ALF replaces the current maximum floor area potential of this site (69,674 square-feet). Though the proposed ALF would have a larger floor area than the currently allowed 0.35 floor-area-ratio, the intensity of the proposed ALF would be less intensive than the currently allowed CS/BP uses. The potential impact analysis compares the ALF with the potential current CS/BP land uses. The maximum floor area for remaining 19-acre business park would be 265,326 square feet.

The proposed project is generally consistent with the project description found in the FEIR and FSEIR. The project description for Phase 1B has changed in terms of the uses allowed on the CS/BP site near the village center.

2.0 ENVIRONMENTAL ANALYSIS

The following analysis will look at the proposed project as compared with the previously certified FEIR or certified FSEIR, and as necessary, explain how the proposed change does not result in any substantial changes that would call for the preparation of a subsequent EIR.

2.1 Water Resources

Regulatory Setting

This addendum discusses water supply and demand only. Please refer to the 1998 EIR and the 2001 FSEIR for a detailed discussion on water and wastewater resource issues. At the time of the FEIR and SEIR in 1998 and 2001, groundwater from the Nipomo Mesa subarea of the Santa Maria Groundwater Basin was the sole source of water for Woodlands Village. As a result of the 2005 stipulation in the Santa Maria Groundwater litigation, Woodlands Mutual Water Company (WMWC) agreed to participate in the Nipomo Supplemental Water Project (NSWP) that will deliver water from the City of Santa Maria to the Nipomo Community Services District (NCS D). There are three sources for the supplemental water: the State Water Project, Twitchell Reservoir, and groundwater from the Santa Maria side of the groundwater basin. According to the Nipomo Supplemental Water Project Supplemental Water Management and Groundwater Replenishment Agreement (Agreement), the underlying premise for the supplemental water is to offset 2,500 acre-feet per year (AFY) of groundwater pumping where groundwater levels are most depressed within the Nipomo Mesa Management Area (NMMA) of the Santa Maria Groundwater Basin (where both NCS D and WMWC pump groundwater).

The Stipulation makes provisions for future urban uses as part of the 2,500 AFY offset. Each year, in accordance with the Stipulation and Judgement, an Annual Report for the NMMA prepared by the NMMA Technical Group is submitted to the court. According to the annual report, the goal of each management area is to promote monitoring and management practices so that present and future water demands are satisfied without causing long-term damage to the underlying groundwater resource. The Technical Group, as part of the on-going monitoring, considers the “Key Wells Index” when making its recommendations. The Key Wells Index combines groundwater level data from eight selected wells (Exhibit F) distributed throughout the inland portion of the management area. The Key Wells Index for 2016 shows that groundwater levels have increased from 2015, but remain within the Severe Water Shortage Condition. Please refer to the attached chart for the Key Wells Index (Exhibit E). As can be seen in the chart, the 2016 Key Wells Index status remains within the “Severe Criterion” status for the second year in a row. This situation further illustrates the importance of supplemental water. In the most recent annual report (April 2015), the Technical Group in its recommendations makes the following statement about supplemental water:

“Additional water supplies that would allow for reduced pumping within the NMMA are the most effective method of reducing the stress on the aquifers and allow for groundwater elevations to recover, and provide means for long-term basin management. The NSWP is the fastest and most viable alternative water supply in the next several years. Given the Potentially Severe Water Shortage Conditions within the NMMA and other risk factors discussed in this Report, the TG recommends that this project be fully implemented as soon as possible.”

The report also states:

“The Stipulation (V.I.E.5.) states all new urban uses shall provide a source of supplemental water to offset the water demand associated with the development. Currently [April 2015], the only source of supplemental water dedicated to new urban uses is the 500 AF of capacity NCS D added to the NSWP. Woodlands level of

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participation in the NSWP is considered to be their projected buildout demand. It is expected that new urban demand will be met by delivery of supplemental water from the NSWP, and possibly better utilization of recycled water or other sources.”

As of July 1, 2016, the City of Santa Maria is delivering 645 AFY of supplemental water to NCSD. WMWC’s share of the 645 AFY is 133 AFY. The amount of water to be delivered should increase over time as NCSD makes the necessary improvements to its delivery system. WMWC’s share of the supplemental water will increase from 133 AFY to 167 AFY on July 1, 2020, and 417 AFY on July 1, 2025. Please refer to the attached table from NCSD to WMWC, dated July 15, 2015 that outlines the delivery schedule (Exhibit A).

Project Changes

According to Table 5 of the Woodlands Specific Plan, land within the Commercial Services/Business Park designation is allocated 35.2 AFY, which is equivalent to 1.6 acre-feet per acre of land. The subject property is considered a three-acre site and therefore would be allocated 4.8 AFY.

The Water Demand Analysis submitted for this project (Wallace Group, January 2017) estimated total indoor water demand for the proposed 150-bed assisted living facility as 13.34 AFY. The applicant is proposing to offset the additional water demand of the assisted living facility by reducing the number of rooms proposed in the resort site. Table 5 of the Woodlands Specific Plan designated 75 AFY for the 500-room resort. Reducing the number of rooms at the resort to 400 will result in a reduction of 15 AFY of water demand. In addition to offsetting the additional 8.54 AFY for the assisted living facility, an additional 6.46 AFY of water would not be in demand if the ALF is developed. The scope and quantity of exterior landscaping is consistent with the original Woodlands Specific Plan, and no additional water is needed.

Should the assisted living facility not be developed, other potential uses would be limited to a maximum water demand of 19.8 AFY (4.8 AFY currently allocated, plus 15 AFY from the resort reduction).

This new information does not alter the assessments or conclusions of the 1998 FEIR or 2001 FSEIR. Please refer to the 1998 FEIR to see the required mitigation measures. The 2001 FSEIR did not add or alter the mitigation measure from the 1998 FEIR.

2.2 Traffic and Circulation

The primary street network that provides access to Woodlands Village includes: Tefft Street in Nipomo from US 101 to Mesa Road, Mesa Road from Tefft Street to the village, Camino Caballo from Pomeroy Road in Nipomo to Maggie Lane, Willow Road from US 101 to Via Concha and Albert Way, Albert Way and Via Concha from Willow Road to the village, and, Highway 1 (north and south between the cities of Guadalupe and Arroyo Grande) (Exhibit D). The following roads have been improved as a result of the Phase 1A and 1B development:

- Albert Way from the village to Willow Road
- Via Concha from the village to Willow Road
- A portion of Dawn Road fronting the property
- The unpaved portions of Mesa Road from the village to Tefft Street
- Camino Caballo from Maggie Lane to Viva Way
- In addition to the road improvement requirements, the applicant has provided their fair share to construct area roads by paying the applicable South County Road Improvement fee, which included fees for the Willow Road extension and interchange with US 101.

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Eucalyptus Road will be improved with Phase 2A, which will connect from the village to the existing paved Eucalyptus Road just east of the tract boundary. Viva Way will be improved between Eucalyptus Road and Mesa Road, also with Phase 2A.

Key intersections in the street network include: Highway One and Via Concha, Willow Road and Highway One, Willow Road and Pomeroy Road, and Mesa Road and Tefft Street. The FEIR discusses the signalization of the intersections of Willow Road/Pomeroy Road and Tefft Street/Mesa Road. The applicant would provide their fair share if signal warrants are met at these intersections.

Other modes of transportation discussed in the FEIR include bicycles, multi-use trails, and equestrian trails. A park-and-ride lot is available in the Village Center and transit will be accommodated when it is available to the village.

The assisted living facility is estimated to generate 26 AM Peak-Hour trips (PHT) and 44 PM PHT, which is significantly lower than what would be expected from a commercial development under the existing provisions of the Woodlands Specific Plan. For example a 70,000 square foot office complex would generate approximately 40 PHT. Should the assisted living facility not be developed, the reasonable worst case scenario in the new OP category would be a 70,000 square foot office complex. The project as proposed does not alter the assessments or conclusions of the 1998 FEIR or 2001 SEIR.

2.3 Air Quality

The FEIR analysis included discussions on air pollutant emissions, both short-term (construction) and long-term (operational), emissions from project-generated traffic, dust, and odor. The mitigation measures that were developed were consistent with the regulations that were in effect at the time (1998). Since 1998, the Air Pollution Control District (APCD) has updated some of their rules that apply to this project. In 2012 the APCD adopted the CEQA Air Quality Handbook, which includes updated emission thresholds for ozone precursors (ROG+NO_x)¹, greenhouse gases (GHG), health risk assessment thresholds, and updated mitigation measures. Other rules that went into effect or were revised, include Rule 1001 – Coastal Dunes Dust Control Requirements (*adopted 2011*) for the mitigation of blowing dust, and Rule 401 – Visible Emissions (*revised 2006*) that limits the opacity of the air.

Although there have been changes to the rules and regulations for air quality issues, the changes do not alter the conclusions of the 1998 FEIR because the applicant must mitigate air quality impacts by complying with current regulations.

2.5 Drainage, Erosion and Sedimentation

The project site is fairly level and was preliminarily graded with tract improvements. The grading plan for the proposed ALF shows an additional 13,009 cubic yards of cut soil and 9,586 cubic yards of fill. 3,424 cubic yards of soil would be exported from the site (but still within Woodlands Village). The project site and all other phases of the Woodlands development completely drain to onsite historical (undrained) depressions, and, due to the sandy nature of the soil, the applicant will still be able to retain all stormwater on-site as envisioned with the Specific Plan and be consistent with current drainage, erosion, stormwater, and sedimentation regulations. The additional grading does not alter the assessments or conclusions of the 1998 FEIR.

¹ Reactive organic gases (ROG) + oxides of nitrogen (NO_x)

2.6 Other Issue Areas

Biological Resources, Noise, Aesthetics, Public Services and Utilities, Cultural Resources, Agricultural Resources, and Hazardous Materials were all analyzed in the 1998 FEIR. The proposed project as it applies to these issues is consistent with the 1998 FEIR.

3.0 CONCLUSION

Based on the above discussion, an EIR addendum was prepared for this proposed project and the preparation of a Subsequent EIR was not required, as described in CEQA Guidelines Section 15162. Although there are proposed changes to the project, including the amount of grading and the uses allowed on the subject site, and there have been changes in the regulatory setting for water resources, air quality, and drainage, none of those changes would require major revisions to the FEIR or SEIR or would alter the conclusions found in those documents.

CEQA Guidelines Section 15162 - Subsequent EIRs and Negative Declarations

(a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

EXHIBIT A – NCSD and WMWC Water Delivery Table from Letter Dated July 15, 2016

Woodlands Mutual Water Company - Minimum Supplemental Water Deliveries			
DELIVERY YEAR	DATE	MINIMUM DELIVERY VOLUME (AFY)	WOODLANDS MUTUAL WATER COMPANY'S PROPORTIONAL SHARE 16.66% (AFY)
1	July 1, 2015 to June 30, 2016	645	107
2	July 1, 2016 to June 30, 2017	800	133
3	July 1, 2017 to June 30, 2018	800	133
4	July 1, 2018 to June 30, 2019	800	133
5	July 1, 2019 to June 30, 2020	800	133
6	July 1, 2020 to June 30, 2021	1,000	167
7	July 1, 2021 to June 30, 2022	1,000	167
8	July 1, 2022 to June 30, 2023	1,000	167
9	July 1, 2023 to June 30, 2024	1,000	167
10	July 1, 2024 to June 30, 2025	1,000	167
11	July 1, 2025 to June 30, 2026	2,500	417
TERM	June 30, 2085	2,500	417

EXHIBIT B - Figure 1 - Woodlands Village Land Use Map

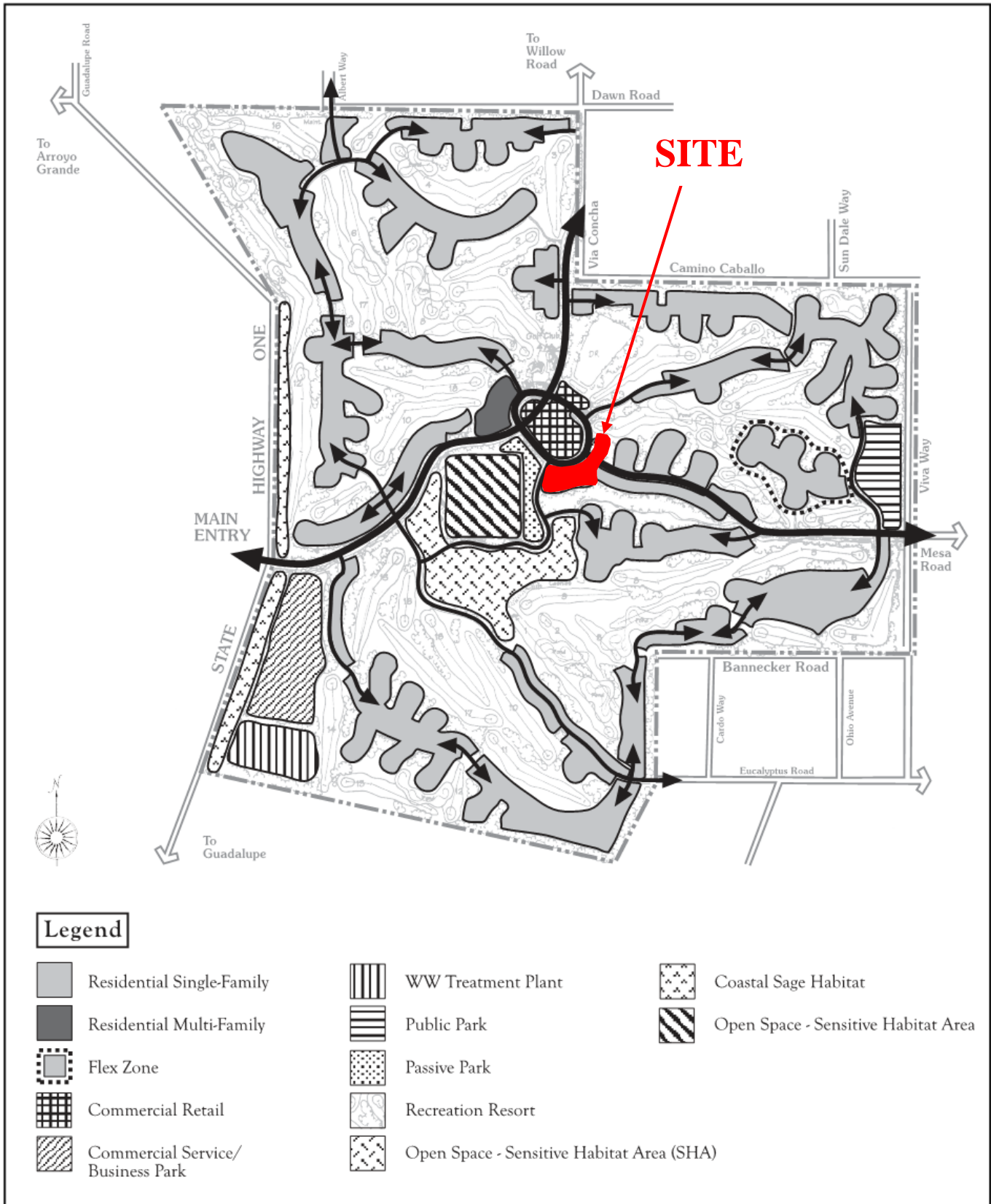


EXHIBIT C - Figure 2 – Assisted Living Facility Site Map



EXHIBIT D - Figure 3 – Primary Street Network to Woodlands Village

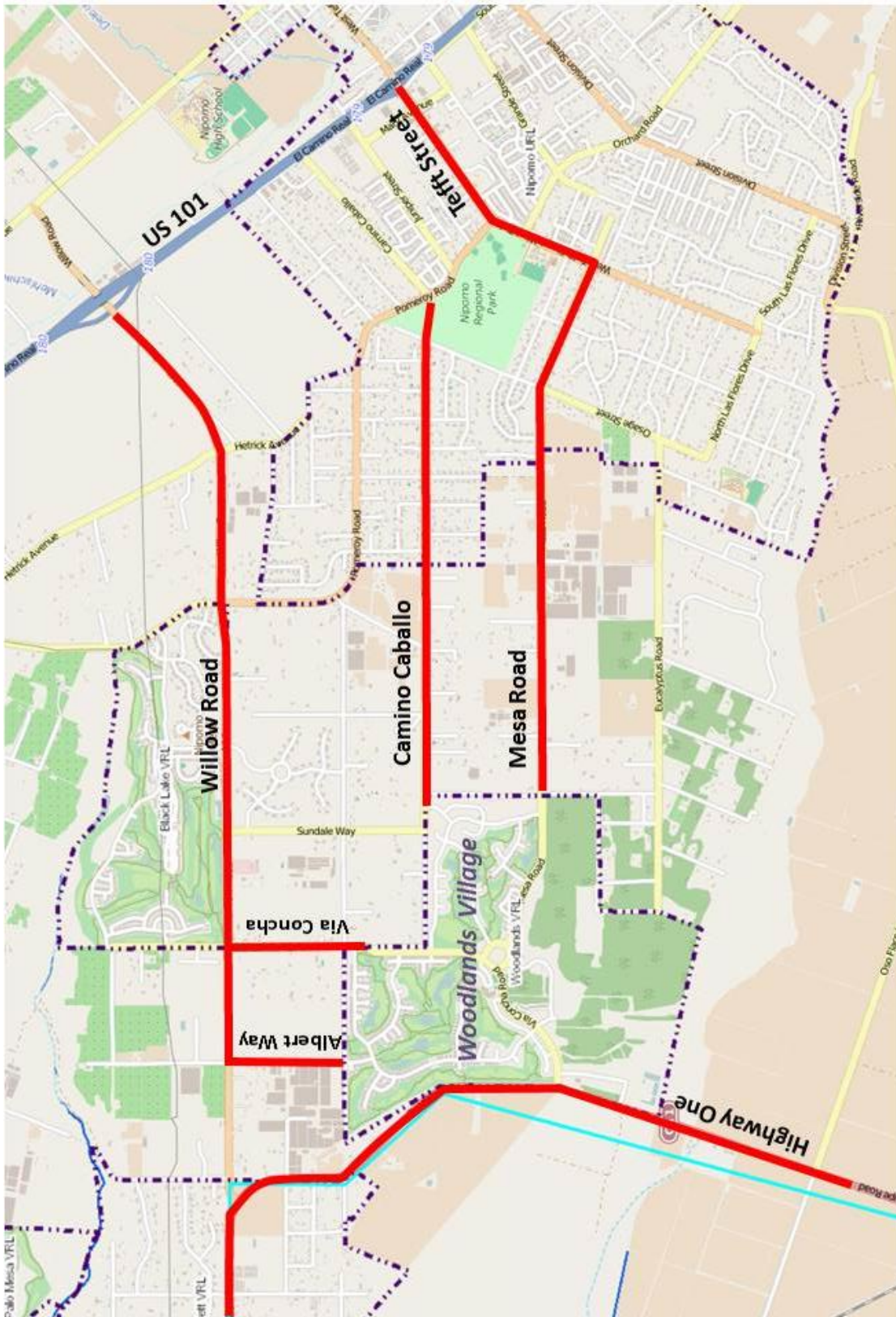


EXHIBIT E - Figure 4 – 2016 Key Wells Index

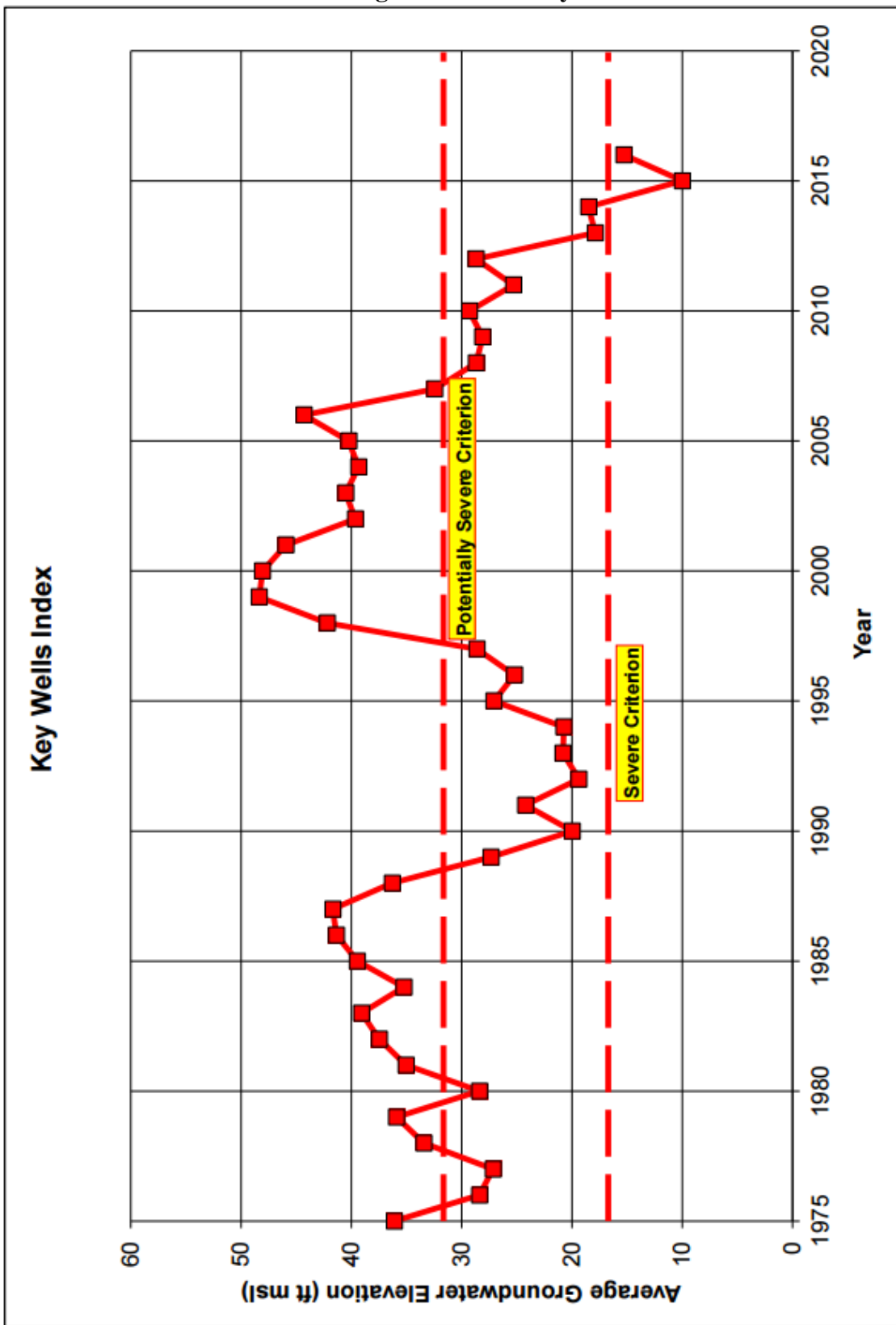


EXHIBIT F - Figure 5 – NCSD Well Locations



EXHIBIT G - Figure 6 – Land Use Category Map (Official Maps)

