

TO: James L. App, City Manager

FROM: Ronald Whisenand, Community Development Director

SUBJECT: LAFCO Sphere of Influence Update

DATE: June 7, 2011

Needs: Determine geographic scope of a mandatory Sphere of Influence update with the Local Agency Formation Commission.

- Facts:
1. The San Luis Obispo Local Agency Formation Commission (LAFCO) is required by law to update a community's Sphere of Influence (SOI) every five years. An SOI is a boundary extending beyond the City limits that represents "an agency's probable future physical boundary and service area."
 2. The City of Paso Robles' SOI was last updated in September of 2004 (shortly after adoption of the City's 2003 General Plan Update).
 3. The SOI process is not just a mapping exercise. It is used to gauge "community readiness for expansion and growth" as well as assess whether a City has adequate resources (i.e. water, wastewater, roads, etc.) to support future expansion.
 4. The General Plan permits expansion when resources can accommodate it. It also includes policies that encourage infill to accommodate growth. These policies are aligned with State law (SB 375) which looks to infill opportunities to reduce "vehicles miles traveled" (thus reducing greenhouse gas emissions from the automobile).
 5. The City's 2004 SOI boundaries were drawn "very tight." With the exception of land contained in the Olsen Ranch/Beechwood area (which has already been annexed), the 2004 SOI contained no "new" properties (beyond those that have existed in our sphere for many years).

Analysis & Conclusion: While the LAFCO SOI update process is required every five years, there is no requirement for the City to study growth boundaries beyond current City limits or SOI. Timing and process may be equally important; proposals to expand City territory might be more appropriately considered during a General Plan update.

Should the Council wish to examine possible expansion areas at this time; direction on geographic areas LAFCO to study is requested. It is important to note that LAFCO policies are heavily oriented to protecting open space and agricultural resources, promoting in-fill development (vs. sprawl), and maintaining community separators. And, LAFCO has ultimate approval authority of both the City's sphere boundary as well as any future annexation requests.

The attached map shows ~~current~~ SOI boundaries (salmon colored) and possible “study areas” (in green). The Council should review the map, take public input, and direct which areas be included in the SOI update process. Once the “study area” boundaries are established, the SOI update can be initiated by:

1. Council approval of SOI study map
2. Completing the Municipal Services Review questionnaire
3. Meeting with County Planning and Templeton representatives
4. Possible study session with LAFCO
5. LAFCO distributing draft Municipal Services Review, SOI Update, and Mitigated Negative Declaration
6. Amending MOA with County regarding joint review of development at City’s borders
7. LAFCO hearings and action

Policy

Reference:

General Plan:

- Encourage infill development as a means of accommodating growth, while preserving open space areas, reducing vehicle miles traveled, and enhancing livability/quality of life (LU-2I); &
- Limit potential annexation of properties to 266 acres (*Olsen Ranch/Beechwood*) (LU Sec. 3.0 & Fig. LU-1)
- Maintain a Planning Impact Area to identify possible future growth areas and evaluate/condition annexation requests to be fiscally neutral (LU-2F & -4A)

Economic Strategy:

- Minimize economic, social, and environmental costs and efficiently use resources and infrastructure; new development should take place in existing urbanized areas before using more agricultural land or open space
- Establish cohesive, compact and livable community for individuals and families

Fiscal

Impact:

LAFCO will explore fiscal impacts with the Municipal Service Review. Fiscal impacts of future annexations will be evaluated on an individual basis.

Options:

- a. Direct City staff to advise LAFCO that no changes be made to the City’s SOI until such time as the City completes a comprehensive amendment to the General Plan and detailed resource capacity study.
- b. Direct City staff to initiate the SOI update process and indicate which “study areas” contained on the attached map should be included or excluded.
- c. Amend, modify or reject the foregoing options.

Attachment:

SOI Study Area Map

