



Buildout Reduction Program Citizens' Committee (BRPCC)

REGULAR MEETING
Tuesday, September 13, 2016 - 10:00 AM
2850 Burton Drive Cambria CA 93428

AGENDA

1. OPENING

- A. CALL TO ORDER
- B. ESTABLISH QUORUM
- C. CHAIRMAN'S REPORT

2. PUBLIC COMMENT

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

3. REGULAR BUSINESS

- A. Consideration to Approve the Minutes from the Regular Meeting held on August 30, 2016
- B. Discussion and Review of Lot Retirement Methods

4. FUTURE AGENDA ITEMS

5. ADJOURN



Buildout Reduction Program Citizens' Committee (BRPCC)

REGULAR MEETING
Tuesday, August 30, 2016 - 3:00 PM
2850 Burton Drive Cambria CA 93428

MINUTES

1. OPENING

A. CALL TO ORDER

Chairman Siegler called the meeting to order at 3:05 p.m.

B. ESTABLISH QUORUM

Committee Members Present:

Ted Siegler, Crosby Swartz, Laura Swartz, Cindy Steidel, Bob Sfarzo, Greg Hunter

Mark Rochefort (via phone)

Committee Members Absent:

Mel McColloch, Allison Groves, Sue Robinson

Staff Present:

Haley Dodson, Confidential Administrative Assistant

C. CHAIRMAN'S REPORT

Chairman Siegler stated he hasn't heard back from UC Berkeley regarding legal representation.

Chairman Siegler stated that Committee Member McColloch couldn't attend the meeting, but he wanted to address asking if District Counsel would review the retirement methods list and advise the committee if it is legal. Chairman Siegler stated unfortunately District Counsel will not, as it would be a conflict of interest.

2. PUBLIC COMMENT

None.

3. REGULAR BUSINESS

A. Consideration to Approve the Minutes from the Regular Meeting held on August 9, 2016

Committee Member Crosby Swartz stated that on Regular Business Item # 5, 'approve' should be 'adjourn.'

Committee Member Sfarzo motioned to approve the amended minutes.

Committee Member Steidel seconded the motion.

Motion was approved: 6-Ayes, 0-Nays, 4-Absent (Committee Members Mel McColloch, Allison Groves, Sue Robinson, Mark Rochefort)

B. Discussion and Review of Lot Retirement Methods

The Committee reviewed the Revenue Brainstorming excel spreadsheet on the projector. They had a long discussion about the spreadsheet and made many revisions to it (attached).

Committee Member Laura Swartz passed out handwritten notes and a copy of the Transfer of Positions code (attached).

Committee Member Crosby Swartz passed out a Lot Retirement Analysis by Type of Organization and Summary of Funding Options (attached).

Committee Member Rochefort stated via phone that he would like to make a suggestion. He stated the most efficient way the Committee can communicate with groups and agencies is having one or two Committee members contact different groups or agencies. Chairman Siegler agreed.

Committee Member Steidel stated there are constraints on fire severity zones. The Committee needs the definition on constraints of fire severity zones. What defines a fire severity zone? The Committee suggested having Chief Hollingsworth attend a BRPCC meeting.

Public Comment:

Director Bahringer thanked the Committee for all their hard work.

Committee Member Hunter stated he wants to schedule a meeting with Monique Madrid and Haley Dodson to discuss vacant lots.

Committee Member Crosby Swartz stated in the final report that the Committee should define a lot vs. parcel, and a retired parcel vs. conservation easement. What does a retired parcel include?

Chairman Siegler requested that the Committee work on defining Item # 0 Definition and Question # 1 on the Revenue Brainstorming excel spreadsheet. He requested that the Committee bring back brainstorming ideas to the next meeting.

4. FUTURE AGENDA ITEMS

Consensus was reached to hold the next meeting on Tuesday, September 13th at 10:00 a.m.

Chairman Siegler would like to keep Regular Business item B on the next agenda.

5. ADJOURN

Committee Member Siegler motioned to adjourn the meeting at 5:30 p.m.

Committee Member Swartz seconded the motion.

Motion was approved: 6-Ayes, 0-Nays, 3-Absent (Committee Members Mel McColloch, Allison Groves, Sue Robinson)

Wait List number applicant - Benefits with the ability to Build.
(in the 20yr program)

1. Mitigation requirement transaction to receive an
INTENT to Serve letter.

A. Retire or Conserve a buildable lot within the
urban line.

1. Use Cambria vacant parcel assessment
(Hi, Med, Low priority)

a. High Priority needs a conservation deed restriction

b. Low Priority can be a retirement deed restriction.

c. Medium " at discretion of S.L.D. Conservancy.

B. Applicant can retain the lot purchased and restricted

" can sell to another party (with Deed restriction

" can donate to 501 c 3 or Open Space District

* Creates a market for lots without a number.

* Saves 8.6 million in administrative costs + price of lot acquisition
(38.9 million TOTAL) (past estimate 29,313,000)

— 2. Ordinance in place 8.04.100 "Transfer of positions" could
be the basis for this requirement. (see ATTACHED.)

(Ted disagrees)

NOTES. TOURISM TAXES - Less for advertising - more for improvement of
community

Continue to address concerns of Low Income Housing and
Responsibilities of the commercial community.

1. commercial limited to 20% of water use.
now using 35%

Mitigation fees for additional commercial users to help
fund Purple Pipe project for non-potable irrigation of
commercial properties?

8/30/16

LAURA SWARTZ

Community (ENTIRE) benefits from open Space.

Open Space Authority

1. Recommended by NCA Plan many times

2. Funding possibilities

A. Special taxes

B. Bonds - up to 5%

C. Mitigation fees

D. collaboration with non-profit land preservation organizations

E. Matching funds from Federal & State agencies

F. Grant funding from private foundations

G. added benefit - develop management expertise on own lands that would be applicable to private lands.

3. Take away the Burden from CCSD of open Space.

A. CCSD RETAINS parks.

4. Fund existing Forest Management plan - to maintain healthy & fire safe (R) forest.

5. Maintain 140 conserved lots & all to come from BRP procedure

6. FINISH Special Projects I & II and Fern Canyon Preserve. using potential funds of existing TDC's

7. Unallocated wait list numbers to the end of the list and fund the Open Space district for decades, with no cost increase to the community.

8. Transfer Fiscalini to: — Keeping Ranch management Plan

9. Work with Greenspace and other environmental interested people or groups, SLO Conservancy, Forest Committee +.

10. Open Space Authority is a legislative formation process.

A. We currently have a State "lobbyist"

B. possible positive influence from the State Coastal Conservancy.

8.04.100 - Transfer of positions.

Except as specifically provided for in this section, a "position" shall be valid only for the parcel or combination of parcels originally applied for and is valid only for the number of EDUs requested and approved in the original application. Transfer of positions is allowed only if the transfer satisfies the requirements of this section.

- A. Findings and Policy Objectives. The board of directors finds that:
1. Discouraging water and sewer service on undersized parcels (being parcels less than three thousand five hundred (3,500) square feet of area, unless such parcel has two underlying lots and has at least fifty (50) feet of street frontage) promotes conservation of scarce water resources and promotes the ability of the district to provide adequate sewer service to existing users.
 2. Discouraging water and sewer service within the Lodge Hill Special Project Area 1 and Top of the World Special Project Area 2 helps prevent deforestation and erosion, which eliminates fire hazards, promotes conservation of scarce water resources, and promotes the ability of the district to provide adequate water service.
 3. Allowing the transfer of existing positions and imposing a restrictive covenant on those sender parcels restricting future water and sewer service is an effective and desirable way of discouraging water and sewer service on undersized parcels and in the Lodge Hill Special Project Area 1 and Top of the World Special Project Area 2, and reducing development density; thereby promoting the district's goals of conserving scarce water resources, providing adequate sewer service to current users, and fire safety.
 4. Allowing transfers of positions only from sender parcels which have a single-family residential position to receiver parcels which will receive and be entitled to use only a single-family residential position maintains the integrity of the district waiting lists, and thereby fairly and efficiently promotes the district's goals of conserving scarce water resources and providing adequate sewer service to existing customers.
 5. Requiring the demolition of structures on parcels upon which a restrictive covenant has been imposed eliminates a fire hazard and a potential public health hazard to streams or groundwater, thereby promoting the district's purposes of fire safety and providing adequate water and sewer service.
 6. Allowing an exception to the demolition requirement for historic buildings on property on which a restrictive covenant has been imposed promotes the general purposes of the district by reducing fire hazards and by making historic buildings available for public recreation. Historic buildings present fire hazards because of outdated electrical systems and flammable construction materials, including aged wooden roofs and frames. Providing for the rehabilitation and maintenance of historic buildings eliminates a fire hazard and promotes public recreation.
 7. Allowing conveyance to the district of parcels adjacent to district property or facilities furthers the district's purposes, including providing adequate water and sewer services.
- B. Transfer of a Single-Family Residential Position to Another Parcel. Partial transfers or splitting of EDU allocations from services with a combination of uses, such as multi-family or commercial/residential, are not allowed. The general manager is authorized to process transfers of single-family residential positions from the "sender" parcel to a "receiver" parcel subject to the following:
1. The receiver parcel must consist of:
 - a. At least three thousand five hundred (3,500) square feet in area or two underlying previously subdivided lots with at least fifty (50) feet of street frontage;
 - b. Be outside Lodge Hill Special Project Area 1; and
 - c. Be outside Top of the World Special Project Area 2. This requirement shall not prohibit transfer or exchange of water positions (as defined in subsection 8.04.040A.) within the Top of the World Special Project Area 2, provided the receiver parcel complies with all CCSD ordinances and policies.
 2. The sender parcel must have a single-family residential position, and the receiver parcel will receive and be entitled to use only a single-family residential position.
 3. The receiver parcel shall be located within the Cambria urban services line established by the county of San Luis Obispo or located within portions of the "1969 Leimert ownership" or "Tract 543 subdivision" which are within the district boundaries, as those terms are more particularly described in the June 4, 1985, Agreement between the Leimert Company and the district.
 4. Prior to the effectiveness of the transfer, a covenant and agreement restricting use of property (restrictive covenant) shall be executed and recorded on both the sender parcel and the receiver or alternate-designated parcel.
 - a. All parcels involved in the transfer, except the sender parcel, must meet the minimum criteria in subsection (B)(1) of this section and shall demonstrate matching ownership at the time the transfer is requested.
 - b. The restrictive covenant shall require the permanent merger of all lots contained in the receiver parcel, and the sender or alternate parcel shall be permanently restricted from water service as described in subsection (B)(6) of this section. Merger of receiver parcel shall be completed within ninety (90) days of final approval of transfer.
 - c.

The restrictive covenant shall require the demolition of any existing structures on the sender parcel or alternate, if designated, except for historic buildings and existing structures ancillary to historic buildings.

- d. This restriction shall not apply on any parcel that is deeded to and accepted by the district for any district purpose, or deeded to and accepted by the county of San Luis Obispo or the state of California for purposes of public recreation or other public facilities purposes.
5. Exchange of Positions. The general manager is also authorized to process an exchange of a position on one parcel for a position on a second parcel if, prior to the effective date of the exchange, a restrictive covenant is recorded restricting an alternate parcel, which meets the minimum criteria specified in subsections (B)(1)—(3) of this section.
6. Acceptance by District of Conveyance of Alternate Parcels. In lieu of recording a restrictive covenant on "sender" or alternate parcel as a condition of transfer of a position, the board may consider conveyance to the district of an alternate parcel if it finds the following:
 - a. The conveyance to the district furthers the purposes of the district, including but not limited to: (1) supplying water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation; (2) providing collection, treatment, and disposal of sewage, waste, and storm water of the district and its inhabitants; (3) protecting against fire hazards; (4) planning for and providing for public recreation; and (5) furthering watershed protection; or
 - b. The parcel is either: (1) adjacent to or in close proximity to existing district property or facilities, or (2) is identified in the district's capital improvement program for acquisition; and
7. The following provisions apply to all position transfers (except as provided in this subsection), and must be incorporated into the restrictive covenant:
 - a. No water or sewer service shall be requested of district or made available by district on the sender property, and owner covenants not to drill or utilize any well on sender property from and after the date this covenant and agreement restricting use of water and property is executed by both parties hereto, except as follows:
 - b. This restriction shall not apply in the event all the following conditions are met:
 - i. The sender property is merged pursuant to the subdivision map act with adjacent property so that the adjacent property and the sender property would become one legal parcel (hereinafter referred to as the merged parcel);
 - ii. The combined area of both properties together is not less than three thousand five hundred (3,500) square feet, or in case where the combined area of both parcels is less than three thousand five hundred (3,500) square feet, that such parcels combined have two underlying lots with fifty (50) feet or more of street frontage;
 - iii. Water and sewer service by the district to the merged parcel will be limited to that allocated to the formerly-adjacent property on the date of this covenant, pursuant to district ordinance in effect on the date of this covenant, and it shall be a violation of this covenant to provide water or sewer service to any separate or adjoining structure with an additional kitchen; and
 - iv. Before any water or sewer service is allowed on merged parcel, owner shall obtain certification from the county of compliance with conditions in subsections (B)(7)(a) and (b) of this section, which certification shall be recorded prior to any provision of water service on the former sender property.
8. Historic Buildings.
 - a. Where a sender parcel has a historic building that is not demolished, the historic building must be brought into compliance with the district's fire safety requirements.
 - b. The owner of a sender parcel with one or more historic buildings may transfer a single-family residential position to a receiver parcel to be used as a single-family residential position, without entering into the restrictive covenant on the sender parcel or an alternative parcel, provided the owner of the sender parcel enters into a restrictive covenant that:
 - i. Prohibits the demolition of any historic building on the sender parcel; moving of any historic building shall be considered by the board on a case by case basis;
 - ii. Prohibits such alterations to any historic building as would exclude the building from the definition of historic buildings in Section 8.04.010
 - iii. Restricts water and sewer service to that necessary to serve the historic building and any existing structure ancillary to the historic building only; and
 - iv. Requires demolition and removal of any structures or improvements on the sender parcel excluding utilities, historic buildings, and structures ancillary to historic buildings.
 - c. The owner of a sender parcel with a historic building may apply to the general manager for a commercial position not to exceed three EDUs on the sender parcel. The general manager will grant such a commercial position where an owner enters into a restrictive covenant as provided in subsection (B)(6)(b) and water and sewer use in such a case furthers the district's purposes, including rehabilitating or maintaining the historic building.
- D. Transfer Fee. A non-refundable transfer fee shall be due and payable upon submission of a request under this section. In addition, the applicant shall provide a check payable to the San Luis Obispo County recorder in the amount necessary to record the documents required under any covenant provided by this chapter.
- E. Notwithstanding any other provision of this section, the general manager with prior approval of the board in closed or open session, may enter into contracts to transfer existing water commitments, including commercial

LOT RETIREMENT ANALYSIS BY TYPE OF ORGANIZATION

EXISTING LAND TRUST ORGANIZATIONS

- Improve existing Special Project Area 1 and 2 TDC program
- Expand Transfer of Development Credits (TDC) program to other areas
- Receive Tax-deductable Donation of Properties
- Administer property purchases and maintenance
- Receive grant funding and donations
- Identify high conservation value properties for special protection

EXISTING COMMUNITY SERVICES DISTRICT

- Impose mitigation fees for new connections and remodels, or community-wide
- Funding allocation from real estate, sales or bed taxes
- Expand CCSD "powers and purposes" charter to include open space acquisition
- Expand responsibilities of PROS Commission
- Require parcel retirement as condition for new parcel development

ESTABLISH OPEN SPACE DISTRICT / AUTHORITY

- Special assessment to fund open space acquisition and maintenance
- Receive grant funding and donations
- Expand to manage and maintain existing CCSD owned open space properties

ADDITIONAL RECOMMENDATION

- Appoint Accounting Ad-Hoc Subcommittee
- Preliminary update of BRP funding requirements
- Provide information to other subcommittees

Submitted by Crosby Swartz 8-30-16

Table 1. Summary of Funding Options.

Type of Entity	Funding Options Available
Land Trust (private)	Private foundation grant funding Membership fees Donations Event and product sales Mitigation fees—imposed by local governments State funding sources: <ul style="list-style-type: none"> ▪ NCCP implementation ▪ WCB Land Acquisition ▪ California Riparian Habitat Program ▪ Coastal Conservancy Grants
State Conservancy (state agency)	State appropriations: <ul style="list-style-type: none"> ▪ NCCP implementation ▪ WCB Land Acquisition ▪ California Riparian Habitat Program ▪ Coastal Conservancy Grants Bond issue Special taxes Lease-purchase and Certificates of Compliance Mitigation fees—imposed by local governments
Open Space Districts and Authorities	Bond issue Special taxes Benefit Assessments (Proposition 218) Mitigation fees—imposed by local governments Coastal Conservancy Grants
Community Services Districts	Special taxes and assessments Bond issue
Resource Conservation Districts	Private and public grant funding In-kind services from public agencies
Non-Profit Advocacy	Private grant funding Coastal Conservancy Planning Grants Membership fees and donations Event and product sales

Assessments

A special assessment, sometimes called a “benefit assessment,” is a charge generally levied upon parcels of real property to pay for benefits the parcels receive from local improvements. In contrast to a tax, the nature of an assessment requires that it be levied in proportion to the special benefit to real property derived from the proceeds of the assessment.

Revenue Brainstorming Worksheet

	Increase/Impose Fees on new development for mitigation purposes	Outside Private Funding	State Propositions	Public/Private Partnership	Increase Price of TDC's	Open Space District/Authority	Real Property Assessments	County/State Contribution	Sales Tax	Bed Tax	New Development	Park/Open Space Fees	Fire Mitigation	General Mitigation Fee	Melo-Rous Fee	Remodeling Mitigation	Selling Unallocated Water Positions	Resell Lots with Restrictions
0. Definition	Mitigation fees. Need to know more about how fees are justified and what they cover.	Contributions from private organizations and individuals				Authority established by legislation. District by Local Agency Formation					Combine with Column B							
1. Who would have to implement each process? Who would have to manage the process?	County/CCSD	CCSO, County, Conservancies	CCSD, County and state voters	Citizens groups, Conservancies	CCSD and Conservancies		CCSD, County and local voter approval		CCSD, County and local voter approval	CCSD/SLO County	CCSD	?	?	?		?	CCSD	CCSD
2. What's the potential size of economic impact?	Depends on the size of fee multiplied by the number of properties developed. Time phased by when development occurs?	Not known	Unable to determine revenue or expenses to set up and manage. Would require special assessment district	Not known	Dependent on remodeling and new construction		Dependent on assessment rate set upon real property		Dependent on sales tax rate	Depends on the size of tax implemented	Impact only to Wait List Owners/Developers						Limited to the number of unallocated water positions and market value	Dependent on the lot price set by the CCSD. CCSD would benefit by reduction of lot maintenance expense
3. What are the legal ramifications?	California Mitigation Fee Act - proportional to benefit	May require formation of special district, management and reporting	State voter approval. If required, highly unlikely	May require formation of special district, management and reporting	None	May require formation of special district, management and reporting	Voter approval		Voter approval		None						Potential lawsuits from wait list lot owners, no growth fractions and conservation groups	Use of proceeds would be restricted to Build Out Reduction Program
4. What are the political issues?	Is there an approval process or can this be mandated by CCSD/County?		Why should state voters approve funding local issue	None	Release of water meters for new construction - anti growth		Property owners/voters would not approve rate increase		Voters would not approve rate increase	Possible objection by tourist board, Chamber of Commerce, motel/B&B owners	None						See #3 above	None
5. What's the practicality/benefit of imposing this solution? - Pros and Cons	Impacts Water waitlist users leaves maintenance to the community		Would generate revenue without directly impacting community	Would generate revenue but would not impact current residents	Could generate a sizable amount of revenue not impacting residents				Residents, visitor/tourists would pay increased sales tax benefiting BRP/Cambria	Tourists would pay 100% benefiting community	Would generate revenue but would not impact current residents	Would generate revenue but would not impact current residents					Buyers of the water positions would pay benefiting the BRP	Would provide funds for BRP and reduce CCSD maintenance expenses
6. Who are the constituents and what is the proportionality between who pays and who benefits? Combine with #5?	Only new construction would pay		Citizens of CA would pay to benefit Cambria	Funded by State of Conservancy Grps. Benefiting Cambria	Only new home builders or remodelers. No expense to other residents		Real property owners would pay benefiting Cambria				Only new construction would pay							Homeowners would have larger lots for personal use excluding building. BRP benefits
7. Is this method directed & predictable?	Yes. Depends on rate of development. Would generate revenue only if building occurs	No	Would never pass	Could be directed at funding resources but it is not predictable	Could estimate revenue from remodeling based upon historical numbers. New home revenue dependent on the release and growth rate set		This is direct and revenue stream would be predictable		This is direct and revenue stream would be predictable	Depending on the size of the tax, entirely predictable	Would generate revenue only if water meters are released						Yes	No
8. What obstacles might be encountered (i.e., LAFCO resistance to new agency or district formation)?	Is a public vote or protest process necessary?		Management expense	None	New construction and growth		Failure to pass tax increase		Failure to pass tax increase	Not likely any. County would collect increased tax and remit Cambria's share	None						See #3 above	Could be resistance from environmentalists wanting to preserve natural setting