



## **Buildout Reduction Program Citizens' Committee (BRPCC)**

REGULAR MEETING  
Monday, July 10, 2017 - 10:00 AM  
2850 Burton Drive Cambria CA 93428

### **AGENDA**

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

#### **1. 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.

#### **2. REGULAR BUSINESS**

- A. Consideration to Approve the Minutes from the Regular Meeting held on June 19, 2017
- B. Discuss and Consider Designating the Appropriate Point of Contact for the BRPCC
- C. Report on Subcommittee Review of Lot Retirement Methods:
  - 1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties
  - 2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties
  - 3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties
- D. Discussion to Define Process for Valuing Undeveloped Parcels
- E. Discussion and Update of the Buildout Reduction Report
- F. Discussion Regarding the Estimated Cost of Maintenance of

Acquired Undeveloped Properties

3. **FUTURE AGENDA ITEMS**
4. **ADJOURN**



**Buildout Reduction Program Citizens' Committee**  
(BRPCC)

REGULAR MEETING  
Monday, June 19, 2017 - 10:00 AM  
2850 Burton Drive Cambria CA 93428

**MINUTES**

**A. CALL TO ORDER**

Chairman Siegler called the meeting to order at 10:01 a.m.

**B. ESTABLISH QUORUM**

A quorum was established.

Committee Members Present:

Ted Siegler, Crosby Swartz, Laura Swartz, Cindy Steidel, Jerry McKinnon, Mark Rochefort, Allison Groves, Mel McColloch, Bob Sfarzo

Committee Member Absent:

Greg Hunter

CCSD Staff Present:

Haley Dodson, Confidential Administrative Assistant

**C. CHAIRMAN'S REPORT**

Chairman Siegler received emails from citizens expressing concern and objection to the cost of the CCSD for running the BRP committee, and concern the committee hasn't addressed risks associated with not implementing the program. He stated if the committee feels we are being wasteful with anything we are doing, please let him know.

**1. PUBLIC COMMENT**

None.

**2. REGULAR BUSINESS**

**A. Consideration to Approve the Minutes from the Regular Meeting held on May 15, 2017.**

Committee Member Crosby Swartz motioned to approve the minutes.

Committee Member Groves seconded the motion.

Motion was approved unanimously.

- B. Report on Subcommittee Review of Lot Retirement Methods:**
  - 1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties**
  - 2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties**
  - 3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties**

Committee Member Sfarzo discussed the expansion of the TDC program, land conservancy costs, and retirement of lots. (handout attached)

2.B.1 Committee Member Crosby Swartz reported he had a phone conference with District Counsel, Chairman Siegler, and Committee Member Laura Swartz regarding forming an Open Space Maintenance District and an Independent Open Space District. He discussed and passed out a handout titled, "Draft Organizational Options" to the committee. (handout attached)

Committee Member Laura Swartz discussed and passed out a handout titled, "For Purchasing 1,100 Parcels." (handout attached)

2.B.3 Committee Member Steidel discussed and passed out a handout titled, "Buildout Reduction Program Stakeholders and Benefits." (handout attached). The committee had an extensive discussion regarding the handout and provided revisions. Chairman Siegler asked Committee Member Steidel to divide the document into impact vs. benefit.

**C. Discussion to Define Process for Valuing Undeveloped Parcels**

**D. Discuss and Update the Buildout Reduction Report**

**E. Discussion to Estimate the Cost of Maintenance of Acquired Properties**

**3. FUTURE AGENDA ITEMS**

None.

**4. ADJOURN**

The committee unanimously agreed to adjourn the meeting at 12:17 p.m.

The next BRPCC meeting will be on Monday, July 10, 2017 at 10:00 a.m.

Chairman Siegler asked the committee to get the BRP report writing done and send it to him electronically within two weeks from today, so he can incorporate it into the report.

## **§ Methods of retirement**

### **Voluntary Lot Merger**

In general, a parcel may contain several unmerged lots (legacy lot lines from the antiquated subdivision of the 1970's). A voluntary merger of parcels is a way to legally join contiguous parcels together when a house is constructed over a lot line, or to create a larger parcel. Through this process, two or more contiguous parcels or units of land which are under common ownership are merged into one parcel. By completing a voluntary merger you can instead build your house to meet setbacks for the combined larger parcel. Without completing a voluntary merger, a house would have to be constructed to meet the setbacks for each underlying parcel. Merging a lot means that this lot can be included with any existing water/sewer service on the overlying parcel.

How? Obtain a Voluntary Merger Application Package at Department of Planning and Building – San Luis Obispo County, 976 Osos Street, Room 200. (805) 781-5600.

For Fiscal Year 2016-2017, the application fee was \$121.00. Approval takes 90 days.

A lot merger has no financial impact on the Cambria community.

From 2006 to 2016, approximately 788 lots were merged.

### **Sale or Gift to Land Conservancy of SLO and TDC**

Selling or gifting the lot to The Land Conservancy of San Luis Obispo (LCSLO) achieves lot retirement in a special way. Since 2008, LCSLO has been a vital and successful part of Cambria's habitat conservation.

LCSLO generates the money it needs to purchase properties by working with SLO County's Transfer of Development Credits Program (TDC). LCSLO is currently the only entity participating in the Cambria TDC Program. Every property purchased by LCSLO accumulates a development rights credit that is stored in a virtual bank. Money is generated through the sale of these credits to owners of small residential properties in exchange for the right to increase (build) the existing gross structural area or footprint by an additional 100 to 400 sq ft (depending on lot size). While TDC program success varies across the region and nation, our SLO TDC Currently, the program worked well: since XXXX, XXX properties sold or gifted and \$XXX TDC bank. Since TDC credits are used in construction and remodeling, their sale is subject to a favorable building economy.

As with other conservancies, LCSLO is free to choose which properties it seeks to purchase. LCSLO prefers to purchase properties with high conservation value, specifically those in the sensitive habitat and viewshed zones Special Areas I & II. Currently, a TDC credit is only generated after a property in Special Area I or II receives a conservation easement.

Success of the Cambria TDC Program depends upon a robust balance of cash funds for the purchasing the lots. The Cambria TDC program may be expanded (via LRP2015-00014) to include properties in other parts of Cambria. Allowing these property sales to accrue TDC credit increases the potential TDC's for sale to home builders and remodelers later. Therefore, the sale of even a less desirable property can contribute to the same pool of funds that also purchases in the habitat and Special Areas. LCSLO is open to purchasing undeveloped lots in any area of Cambria.

Each lot retired this way is likely to incur a cost to the Cambria community.

To minimize their lot maintenance expenses, LCSLO prefers to donate properties (with easement) to the CCSD. Therefore, maintenance is a CCSD and Community expense in perpetuity.

Contact:

Land Conservancy of San Luis Obispo County  
137 Pacific Street, Suite A or P.O. Box 12206  
San Luis Obispo, CA 93401  
General Email: [lc@lcslo.org](mailto:lc@lcslo.org)

Affecting how many lots? with existing ordinance XXX% lots, with amendment LRP2015-00014 :  
XXX% lots

## **Retain Ownership & Add Conservation Easement**

A conservation easement is a voluntary legal agreement between a landowner and a land trust or government agency that permanently limits uses of the land in order to protect its conservation values.

Landowners with a conservation easement still hold title to their property and the rights of ownership, such as the right to sell the property, lease the land, leave it to their heirs, and the right to privacy. No purchase or maintenance costs to community.

For a cost example, the Land Conservancy of San Luis Obispo (LCSLO) requests a donation for each conservation easement it acquires. The amount can vary, but it is usually 3% of the easement value for purchased easements, and a minimum of \$10,000 for donated easements.

For the property owner, there are potential costs for appraisal, surveying, lot maintenance, legal counsel, County filing fees (e.g Clerk Recorder \$7), and property taxes. No permit is required.

## **Sale or Gift to Other Conservation Organizations**

The property is sold or gifted to a conservancy other than LCSLO such as Greenspace, that files the appropriate conservation easement with the County. Conservancies choose to purchase properties with high conservation value and large parcel size. Most of the existing undeveloped lots do meet such criteria, and would never be purchased by a typical conservancy. While, no public monies are involved with purchase and subsequent maintenance, purchasing funds are subject to a conservancy's budgetary constraints.

## **Sale to Neighbor**

Whether by sale or gift, transferring ownership to an abutting neighbor is a possible step toward retirement if the new owner retires or merges the lot.

## DRAFT ORGANIZATIONAL OPTIONS -- BRP

June 19, 2017

### \* Organizational Structures to Acquire and Manage Undeveloped Properties

The CCSD is the lead agency for the 2008 Water Master Plan and the current Sustainable Water Facility Project. In accordance with Mitigation Measure PHG-1 the CCSD has the ultimate responsibility to ensure funding and administration to retire and maintain buildable parcels as required by the Buildout Reduction Program. It is recommended the CCSD activate its power to acquire and maintain property as mitigation for a district project in accordance with Govt Codes 61000 to 61250.

The CCSD is currently managing the Lot Merger Program. Under this program, the CCSD publicizes the benefits of merging lots, provides assistance to the property owner to submit the required documents to the county, and provides partial reimbursement for the county processing fees. It is recommended that the Lot Merger Program be continued.

CCSD Municipal Code Section 8.04.100 requires that when a water meter or water wait list position is transferred from one parcel to another, the sending parcel is retired by recording a deed restriction, and the receiving parcels are merged. It is recommended that this requirement be continued. The specific wording of the required deed restriction should be reviewed to ensure the intent of the BRP is achieved.

An essential part of the BRP is the purchase and retirement of buildable parcels from property owners who voluntarily offer parcels for sale. The administrative tasks related to this part of the BRP are substantial. They include arranging and managing the funding for the program, promotion of the program to owners of vacant parcels, negotiation of the terms of each sale, investigation of ownership and title issues and other documentation required, and recordation of the required deed restriction.

The CCSD could delegate parts of the BRP administrative tasks to other organizations. The execution of the property purchase process could be contracted to a local land conservation organization. These organizations have experience in contacting potential sellers, appraisal and negotiation, and recording documentation of sale and deed restrictions to retire and conserve purchased parcels.

The cost and management requirements necessary to maintain the retired parcels would be proportional to the maintenance of existing CCSD owned open space properties, adjusted for the added parcels. It is recommended that a maintenance advisory board be established to provide additional expertise and oversight. The CCSD PROS Commission could be tasked with this function. Another alternative would be to approach the Friends of the Fiscalini Ranch Preserve Board to provide assistance with this function.

The Land Conservancy of San Luis Obispo has managed a land conservation program in the Lodge Hill area for many years using funds from the sale of Transfer

Development Credits authorized by the County. This program could be expanded to cover other areas in Cambria. The pace of parcel acquisition under this program is limited by available funding, but could be accelerated by a new negotiated funding agreement with the CCSD. The Land Conservancy transfers ownership of the conserved parcels to the CCSD, who becomes responsible for routine maintenance. This program pursues tax deductible parcel donations and land conservation grants, in addition to purchases using funds from the sale of Transfer Development Credits.

Another organizational option is to establish an independent Open Space District to acquire and maintain retired parcels. An Open Space District is a governmental agency, with powers similar to a Community Service District but with a single purpose and board expertise. One advantage of an Open Space District is that the financial and management decisions are independent from the CCSD's primary areas of responsibility such as water and sewer services, and fire protection. An Open Space District could accept ownership and maintenance responsibility for parcels purchased by The Land Conservancy under the Transfer Development Credits Program.

Open Space Districts are formed by voter initiative in accordance with California Public Resources Code Sections 5500 - 5595. A petition of resident voters is required to place the proposed district on the ballot. LAFCO approval is required for open space district formation.



6/17

FOR PURCHASING - 1,100 parcels. 22,000,000

1100 parcels  
400 TDC  
1500

1) Mitigation Fees collected by County when permit ISSUED

700 Residential 666 + Multifamily	19,500 =	13,650,000
140 Commercial in EDU's 20% of water.	19,500	2,730,000
65 Low Income Housing at 50%	9,750	633,000
		<u>17,013,000</u>

(CR)

Brand new TDC STARTS at sq ft. 1 at 10/sq ft  
(new building up to 1950 where allowable  
\$15/sq ft after 1950  
for all Residential - Commercial - Low Inc Housing  
Generates approx. same = 17,000,000

2. Tourism Fee - to be passed by Co. 200,000 x 25 = 5,000,000  
(Pass to SLOC to jump start TDC program until  
building begins)

FOR purchasing 400 parcels

3) Existing TDC program - to purchase I + II special parcels or expanded area.  
189-1  
215-2

Existing TDC Program has 100,000 TDC to sell now at \$15/sq ft.  
Generates money from Remodels + over sized built houses.

- To Reduce dollars needed - Immediate Retiring possibilities

a) mergers reduce # of APN's

b) transfer positions (retirement required)

? + c) IN LIEU of mitigation fee - parcel of same or larger size

d) Donation accepted - issuing A Fed TAX Credit.

400 parcels  
Purchas

4) Open Space Authority - FOR MAINTENANCE - to hold & care for the LANDS  
\$100/per developed parcel.

4,000 x 100

10,000,000

includes forest management - grant writer  
forest ecologist  
all things a district can do.

400,000/yr

CASH FLOW when Implemented.

.5% TOURIST FEE		200,000 K/yr +
Permits issued - funding available	40/yr at 19,500	780,000 K yr +
TDC monies to purchase	\$15/sq ft. Pot 400 x 3500 1,400,000 at \$15 ea.	enough to ELIMINATE 400 Ld
Open Space Authority	100/parcel	400,000 +

There has been some interest in Retiring a wait list numbers  
Permanently - without reselling - how can we accomplish this - less than 4650

## **DRAFT Stakeholders #1**

### **Buildout Reduction Program**

#### **Stakeholders and Benefits**

Cambria is a unique community that has a desirable combination of stunning land and ocean vistas, plentiful habitat and mindful conservation of those attributes. Although not always easy, the community strives to protect and maintain these elements while recognizing the consequence for its residents and business community.

Establishing a Buildout Reduction Program for Cambria requires the commitment from a wide range of stakeholders with varying needs. Success in acceptance of any new program requires identification of shared values among those affected. Building community engagement and seeking diverse stakeholder commitment requires identification of economic, social, environmental and safety concerns. It is imperative to solicit feedback from:

Primary Stakeholders (those directly affected positively, or negatively, by recommended actions)

- (a) owners of undeveloped APN's not on the CCSD Water Wait List
- (b) owners of undeveloped APN's currently on the CCSD Water Wait List
- (c) owners of undeveloped APN's currently holding Grandfathered Meters

Secondary Stakeholders (those indirectly affected positively, or negatively, by recommended actions)

- (a) owners of existing developed APN's
- (b) residents who are not property owners; renters, tenants
- (c) residential landlords

Key Stakeholders (those who can have an effect, positive or negative, on the program/effort)

- (a) Cambria Community Services District (Administrative, Maintenance, Water, Fire Protection)
- (b) San Luis Obispo County

Multiple Category Stakeholders

- (a) Conservation Entities, Land Trusts (Habitat and Forest Preservation)
- (b) Business Community, Real Estate Community, Business Owners, Chamber of Commerce
- (c) Visitors

While a participatory process creates social capital with the community, complexities and external limitations on implementation can create challenges for balanced fairness. Executing the purchase and retirement of properties will require that the community share in the financial burden. There is no silver bullet to address the financial need. Therefore, multiple phases and contributors are considered for achieving the BRP goal of property retirement. It is beneficial to recognize these circumstances early in communication to stakeholders and to emphasize the shared burden so the community understands everyone is a stakeholder in some form; no singular body will bear the incumbrance entirely. However, resulting benefits of the program are a more systemic and will be enjoyed broadly. Land retirement, and establishment of open space, will sustain the small-town character and quality of life valued by residents and those who visit.