

# Santa Barbara LAFCO

## Bailey Avenue Properties SOI Revision to City of Lompoc

December 8, 2022

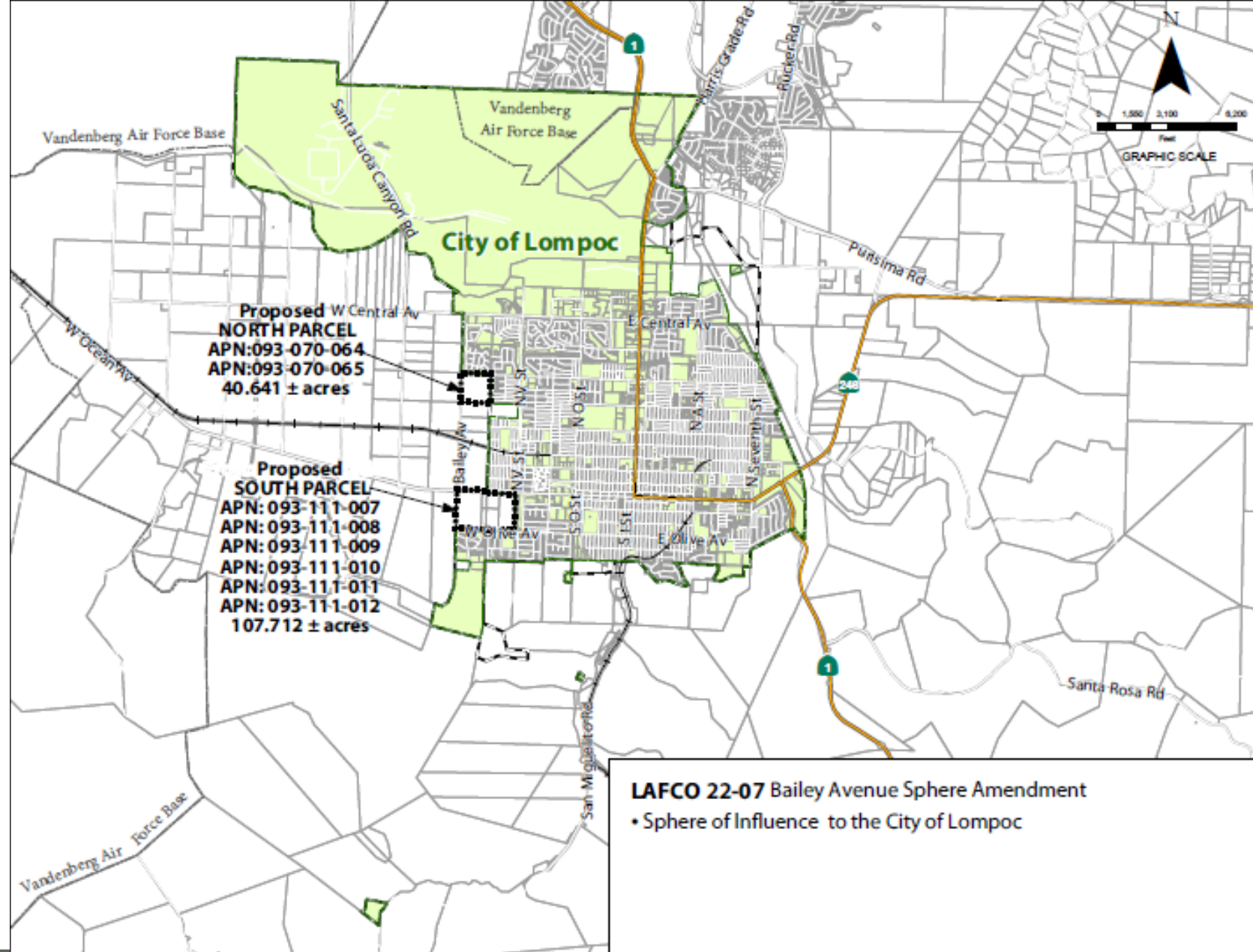
# Background

- Applicant: City of Lompoc, by Resolution
- Location: Bailey Avenue property (APN 093-070-065 consisting of 40.6-acres) and the Bodger property (APNs 093-111-007, 008, 009, 010, 011, & 012 consisting of 107.7-acres). Together they total 148.3 acres.
- Purpose: Sphere of Influence amendment for future annexation request
- Sphere of Influence: The proposal area is outside of the City's Sphere of Influence (Updated in 2016)

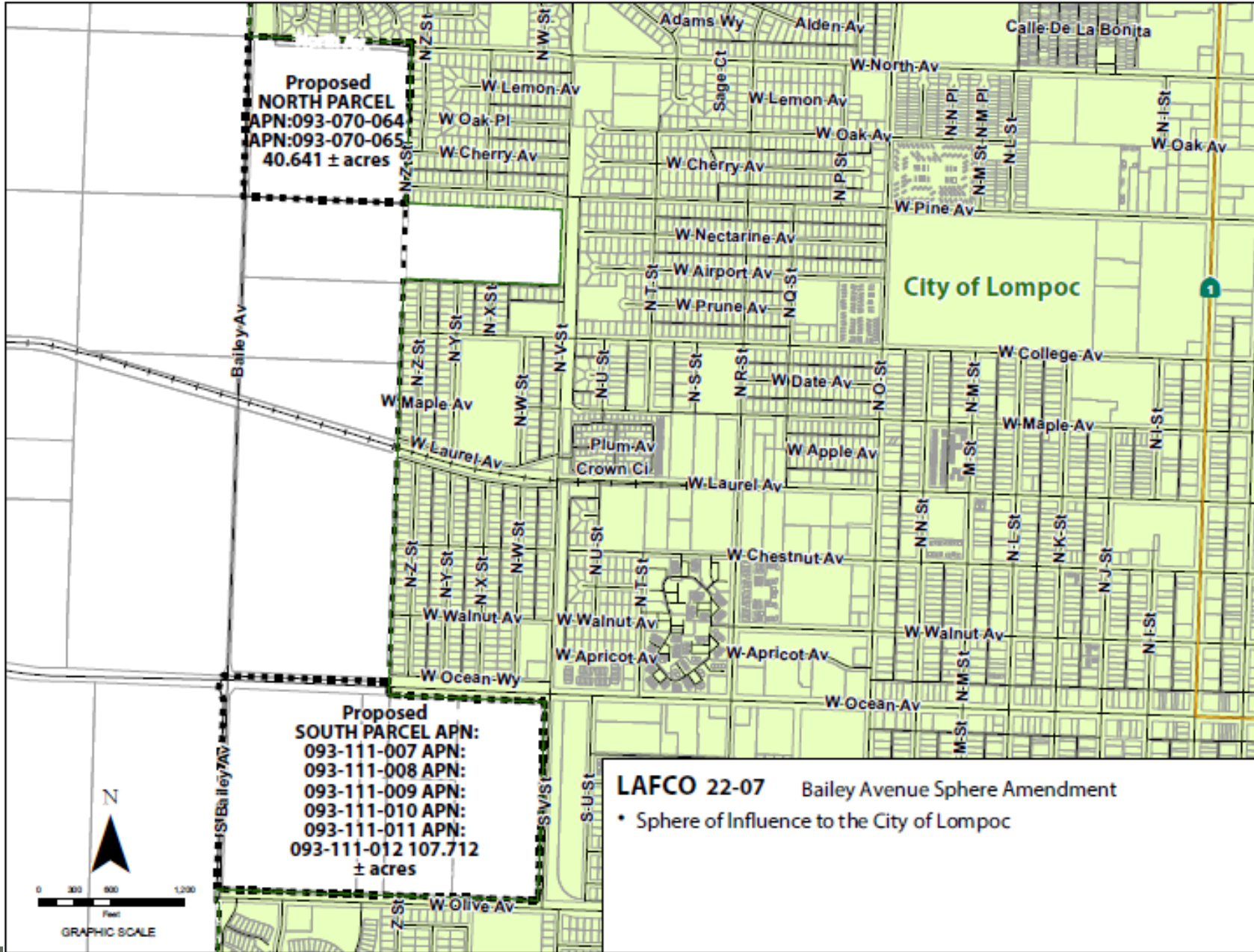
# Historical Context

- July 18, 2017, the City adopted Resolution No. 6103 (17) that directed City staff to initiate SOI & annexation proceedings – LAFCO File No. 18-05
- This application relied on and included City Resolution No. 5668, dated October 19, 2010, where City certified the 2030 General Plan Update Final Environmental Impact Report 09-01 (FEIR) and adopted a statement of overriding consideration to address the identified four significant CEQA Class I impacts.
- On April 21, 2021, the LAFCO EO found City’s application incomplete and requested information on 14 separate matters.
- On July 15, 2021, the City stated it would seek to “separate the Bailey Avenue SOI Application from the . . . Annexation Application
- On September 1, 2022, City formally submitted its standalone SOI application On October 26, 2022, the City“ clarify and amend” its application.

# Vicinity Map



# SOI Map



# CEQA Background

- The City adopted in 2010, the City of Lompoc's 2030 General Plan Update that identified the Bailey Avenue area for annexation to the City for mixed-use development.
- The Final Environmental Impact Report (FEIR) stated development impacts of the Bailey Avenue 148-acre proposal were not specifically addressed. Rather, a "Specific Plan for the Bailey Avenue expansion area [was] proposed, and [would be] analyzed in a separate Environmental Impact Report." (FEIR at p. 1-3.).
- City Resolution 5668 approved the 2030 General Plan Update and adopted CEQA findings, including Findings of Fact and Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program.

# CEQA Background Cont.

- Mitigation Program for the 2030 General Plan Update required the purchase of agricultural conservation easements to mitigate to the maximum extent feasible the significant Class I impacts caused by the loss of prime agricultural land.
- In particular, to address the loss of prime agricultural land due to the Bailey Avenue Project, Land Use Measure LU-3 was adopted:
  - The City shall implement a program that facilitates the establishment and purchase of on- or off-site Agricultural Conservation Easements for prime farmland and/or important farmland converted within the expansion areas, at a ratio of 1:1 (acreage conserved: acreage impacted). A coordinator at the City shall oversee and monitor the program, which will involve property owners, developers, the City, and potentially a conservation organization such as The Land Trust for Santa Barbara County. Implementation of a PACE program shall be coordinated with similar efforts of Santa Barbara County. (Mitigation Program at p. 10-11.)

# CEQA Background Addendum No. 3

- Addendum No. 3 to the FEIR (Dec. 2016) was prepared for the City's 2017 application for a sphere of influence amendment and annexation of the Bailey Avenue site to the City.
- The Addendum concluded that the changes proposed for the Bailey Avenue Corridor Annexation (Project) are minor in the sense they would not create potentially significant environmental impacts.
- Addendum No. 3 stated the “potential buildout under the existing designations would be substantially less intensive than evaluated in the General Plan EIR and Mitigation Measure LU-3”.



# CEQA Background Addendum No. 7

- Addendum No. 7 to the FEIR (Dec. 2021) was prepared for the City's 2022 application for a sphere of influence amendment of the Bailey Avenue site to the City.
- The Addendum concluded that the changes proposed for the Bailey Avenue Corridor Annexation (Project) are minor in the sense they would not create potentially significant environmental impacts identified in FEIR and/or Addendum No. 3.
- Addendum No. 7 stated “the SOI project does not involve any changes to the potential development or land uses within the Bailey Avenue Corridor in comparison to what was previously studied under Addendum #3”.

# LAFCO as a Responsible Agency

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- If the Commission decides to approve City's application, as a "responsible agency" under CEQA, LAFCO is required to treat the "lead agency's" environmental document as legally adequate. (Pub. Resources Code §21166.).
- As a responsible agency, LAFCO must prepare and adopt its own set of findings and statement of overriding considerations for environmental issue areas within LAFCO's jurisdiction, based on the City's FEIR.
- If LAFCO cannot make these findings, then expansion of the sphere cannot be granted.

SOI Amendment Item No 1

# LAFCO Authority

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- Local adopted policies provide LAFCO with guidance and discretion with regards to a variety of topics. Government Code Section 56001 provides LAFCO with direction to perform this balancing act.
- LAFCO has been given “quasi-legislative” authority to complete its mission. This gives Commissioners broad discretion in light of the record to make determinations regarding LAFCO proposals (*Gov. Code §56301*).
- The Commission should weigh the importance and significance of each particular factor when considering its decisions. When taken as a whole, does it lead to an approval or denial of a proposal? It is not black and white; careful discretion, local circumstances and independent judgement are considered in the decision-making process.

SOI Amendment Item No 1

# Project Description & Commitments

- The City's response to the LAFCO Sphere of Influence questionnaire and supplemental materials (**Attachment B**) states the purpose of the proposal as:
  - *“to amend the City's Sphere of Influence to include two properties referred to herein as the Bailey Avenue Property and the Bodger Property...”*
  - *“the City ultimately seeks to have these two properties developed with residential uses following a future annexation application.”*

# Project Description & Commitments Cont.

- The City has also submitted supplemental information and commitments with respect to amending the City's Sphere of Influence. These commitments include the following:
  - *“the City agrees to include a build-out estimate/inventory of the potential for housing development upon potentially developable parcels within the City's boundaries (which shall include an evaluation of infill development opportunities within the City, along with a list of housing projects approved by the City (but not yet built/occupied)) with any future annexation application proposal submitted for the Bailey Avenue Properties. Such build-out estimate shall also include an updated jobs/housing ratio for the City as well as the Lompoc Valley area as a whole.*

# Commitments Cont.

- Commitment:

- *“the City commits to ensuring that the City's Inclusionary Housing Ordinance (set forth in Chapter 17.324 of the City's Municipal Code) and 2030 General Plan Housing Element policies related to affordable housing requirements shall be imposed upon the Bailey Avenue Properties in the event of any future residential development of such properties, which shall be included in the City's approval/conditions of approval for the pre-zoning for the Bailey Avenue and/or in the CEQA analysis for same. This requirement is intended in order to enable the City to realize the development of additional affordable housing within the City.*

# Commitments Cont.

## ■ Commitment:

- *“prior to submission of an annexation application for the Bailey Avenue Properties, the City shall negotiate with the County for a Regional Housing Needs Allocation ("RHNA") transfer.*
- *the City is committed to ensure that any future annexation application for the Bailey Avenue Properties shall include an obligation of the owners of the Bailey Avenue Properties (and their successors/assigns) to obtain and record a conservation easement upon the Bailey Avenue Properties or other property within the Lompoc Valley which ensures a 1:1 ratio for the loss of prime agricultural land that results from any future development of the Bailey Avenue Properties (which may take account for any buffer lands or conservation easements established directly on the Bailey Avenue Properties).”*

# Commitments Cont.

- Commitment:

- *“The City has obtained a commitment from the owners of the Bailey Avenue Properties (i.e., LB/LDS Ventures Lompoc II LLC and Jack Bodger & Sons Company, the "Owners"), that they will each be obligated to record a restrictive covenant running with the land against the Bailey Avenue Properties, which covenant shall require the Owners to purchase Prime Agricultural Conservation Easements ("PACE") within Santa Barbara County on a 1:1 basis (net of buffer lands established within the Bailey Avenue Properties), on account of any loss of prime agricultural land due to the development of the Bailey Avenue Property, which shall be a condition to any residential development on the Bailey Avenue Properties.”*



# SOI Versus City Boundary Change

- Important distinction between a Sphere of Influence and an actual boundary change such as an annexation.
  - *“A Sphere of Influence is a plan adopted by LAFCO depicting the probable physical boundaries and service area of a local agency. LAFCO is prohibited from approving boundary changes that are not consistent with the adopted Sphere of Influence. A Sphere of Influence is a planning mechanism. Often, the first step by a City to plan for future development. Often times, though, a sphere change and an annexation are approved at the same LAFCO hearing.” (Gov. Code § 56428 (g)).*
- An actual boundary change, on the other hand, modifies the local agency jurisdictional boundaries. Once within a city, land is subject to the city’s land use and zoning authority and the city is responsible for *services*.

# Key Issues for LAFCO

- **Agriculture**: The project site is currently prime agricultural land developed with intensified agricultural uses as defined by **Gov. Code §56064**. The site (148.3 acres) would be lost due to conversion to non-agricultural uses such as residential, commercial, and other uses.
  - The FEIR concludes approximately all 271 acres of the Bailey Avenue Specific Plan site meets the LAFCO definition of prime agricultural land.
- Government Code Section 56377 would be applicable.
  - *56377. In reviewing and approving or disapproving proposals which could reasonably be expected to include, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:*

# Gov Code § 56377

- *(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.*
- *(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing sphere of influence or the local agency.*
- The City's approach to address the loss of prime agricultural lands would require the owners to purchase prime agricultural conservation easements within Santa Barbara County on a 1:1 basis for all converted prime agricultural land within the Bailey Avenue site.

# Key Issues for LAFCO

- **Loss of Agriculture:**
- LAFCO does not have a specific ratio requirement. The City of Lompoc does not have an offset requirement either. Policy consistency would be determined at the time of an annexation proposal; however, the Commission should weight if adding the Sphere of Influence along with the City's list of commitments could allow for compliance with GC 56377.
- The Commission can find that Mitigation Monitoring Program requiring a 1:1 ratio is infeasible or a greater ratio is required.

# Key Issues for LAFCO

- **Discouraging Urban Sprawl:** The proposal would change the character of the Bailey Avenue corridor and likely add low density residential development throughout the 148-acre area.
- It should be noted that under GC §56375(a)(6), LAFCO is not allowed to impose any condition that would directly regulate land use density or intensity; however, discouraging urban sprawl is key legislative mandate of LAFCO found in the Cortese-Knox-Hertzberg Act and land uses (e.g., rezoning and conservation easements) are factors that LAFCO considers under GC §§ 56001, 56301 and 56668 in making its future annexation decision.

# Key Issues for LAFCO

- **Housing-Affordability/Jobs-Housing Balance:** The City's Inclusionary Housing Ordinance (set forth in Chapter 17.324 of the City's Municipal Code) and Policies 1.11 and 1.12 attempt to moderate their housing affordability disparity by requiring 10% of all residential projects containing 10 or more units to provide affordable housing to target income groups. The Bailey Avenue site does not have a specific identified project, so the number of affordable units and target ranges are not fully known.
- The City has also committed to a build-out estimate and shall also include an updated jobs/housing ratio for the City as well as the Lompoc Valley area as a whole. Furthermore, City shall negotiate with the County for a Regional Housing Needs Allocation ("RHNA") transfer.

# Sphere of Influence

## Present and planned land uses

- Inconsistent with the County's General Plan which designates the area agriculture.
- City's General Plan designated for Very Low-Density & Low Residential development. Designations could change through the development review process.
- Conditioning the SOI expansion could bring the proposal into compliance with LAFCO policies.

## Present and probable need for services

- SOI amendment will function as it is intended, as a planning tool for the future growth of the City.
- SOI Proposal does not entail any actual development project or change in land uses for the Bailey Ave. Properties. If any development is proposed upon the Bailey Ave. Properties in the future, infrastructure and public facilities needs will be assessed and satisfied.

# Sphere of Influence

## Present capacity and adequacy of services

- The City operate and maintain two (2) water treatment plants and one (1) regional wastewater reclamation facility.
- Water treatment plant capacity of 10.0 MGD; LRWRP permitted capacity is 5.5 MGD.
- Although, the future projected build-out of the SOI areas are unknown at this time, the City anticipates a low-density residential development project that could be served by the existing water and wastewater capacities. The City certified FEIR did consider buildout potential that also concluded adequate water and wastewater capacities including the Bailey Avenue area (FEIR page 4.14-15 & 14.14-22.)
- The 2021 Public Safety MSR prepared for the City of Lompoc indicates the City has experienced the highest crime rate per 1,000 persons at 35.7. The clearance rates are also the lowest of all agencies reported with 12%. The Police Department has identified several needs and critical issues to enhance public safety and responsiveness to community needs.



# Sphere of Influence

## **Present capacity and adequacy of services CONT.**

- The City's General Plan Land Use Policy 4.2 calls for adequate police and fire services to be available at the time of development. The City has conditioning authority to require adequate services are maintained or achieved through the development review process. The FEIR identified Impact PS-3 which would further exacerbate existing service ratio deficiencies and therefore require new or expanded police facilities. However, payment of impact mitigation fees would reduce impacts to Class III (FEIR page 4.11-17.).
- The City Fire Department maintains an ISO Public Protection Classification of 3 within 5 road miles of a fire station where there is a credible source of water.
- The FEIR concluded adequate services could be achieved under buildout of the Bailey Avenue area. (FEIR pages 4.11-17 & 4.11-11.).

# Sphere of Influence

## **Social or economic communities of interest**

- Residential development would likely be proposed in the Sphere amendment and the City provides places for shopping and services for the people living in the City. The immediate surrounding area does not have as many opportunities for services. Areas to recreate, schools, places of worship and cultural events would also be available within the broader City limits.

## **Disadvantage Unincorporated Communities**

- This amendment does not qualify as a disadvantage unincorporated community

# Environmental Determination

- The City prepared and certified the FEIR for the 2030 General Plan Update and adopted Addendums No. 3 and No. 7 for the Bailey Avenue Annexation and SOI.
- The FEIR includes mitigation measures relative to future development.
- In summary, the proposed Project ( 2030 General Plan Update) would result in significant and unavoidable long-term impacts to Clean Air Plan consistency, operational air quality emissions, cumulative air quality impacts, temporary and long-term increases in green-house-gas (GHG) emissions, GHG emissions reduction plan consistency, cumulative GHG emissions impacts, Cultural/Historical Resources, loss of Prime Agricultural lands, traffic impacts at Ocean Avenue and A Street intersection, and H Street/Central Avenue intersection.

# Addendum No. 7

- The City cited no specific development plan was proposed; however, the FEIR did assume specific numbers of residential unit and mixed-use development and then deferred to a future specific plan and additional environmental review.
- The final CEQA analysis under Addendum No. 7 indicated no further impacts were identified beyond what was previously provided under the Final EIR and Addendum No. 3.
- Concluded no new or more severe environmental impacts beyond those disclosed in the Final EIR or Addendum No. 3 would occur as a result of the Sphere of Influence Amendment project.

# Addendum No. 3

- The City clarified and updated information identifying a Leaking Underground Storage Tank (LUST) clean-up site at Bodger Seed development on the Bodger property. The previous build-out scenario concluded that impacts associated with the identified hazardous material site would be potentially significant. Therefore, this new information would not result in any new significant impacts .
- Additionally, noise levels due to vehicle traffic were identified to exceed the City's standard, however, General Plan, Noise and Circulation policies were identified to reduce noise impacts to less than Element significant.

# Final EIR Impacts

- The City's Final EIR, a Summary and Mitigation Measure Table ES-1 and Mitigation Monitoring and Reporting Program list out all impacts and mitigations adopted as part of the Final EIR certification. Most notably is:
  - **LU-3** *“Future development in accordance with the 2030 General Plan would occur in areas that contain prime agriculture soils and/or important farmland. Buildout within the City Limits and the Wye Residential expansion area would result in Class III, less than significant, impacts to agricultural conversion. However, the Bailey Avenue Specific Plan expansion area is currently used for agriculture, and both the River and Miguelito Canyon expansion areas contain prime soils which could be feasibly farmed. Buildout of these three Expansion Areas would therefore result in Class I, significant and unavoidable impacts related to agricultural conversion.”*
  - The FEIR Mitigation Measure LU-3 is unequivocal as it states the City “shall implement a program that facilitates the establishment and purchase of on- or off-site Agricultural Conservation Easements for prime farmland and/or important farmland converted within the expansion areas, at a ratio of 1:1 (acreage conserved: acreage impacted).

# Final EIR Impacts

- The Commission must require the mitigation of the PACE Program set forth in the Mitigation Monitoring and Reporting Program adopted as part of the City's certification of the FEIR. Alternatively, if this mitigation is not a City commitment, then the Commission must determine if LAFCO may adopt a statement of overriding consideration in the absence of this mitigation.
- Impact LU-2 *“The 2030 General Plan proposes annexation of four unincorporated areas adjacent to the City. The proposed expansion areas could conflict with some provisions of the Santa Barbara County LAFCo’s Standards for Annexation to Cities. However, LAFCo must make the final determination of consistency.”*
- No mitigation measures were identified as appropriate, as a final determination of consistency with LAFCO policies must be made by the Santa Barbara County LAFCO.

# Statement of Overriding Considerations

- A Statement of Overriding Considerations finding that the benefits of the project will outweigh the unavoidable environmental impacts.
- **Attachment D** includes the City's adopted Statements of Overriding Considerations. Also found on pages 20-21 of staff report.
- In summary, the Final EIR (State Clearinghouse No. 2008081032) for the City of Lompoc 2030 General Plan Update **identified four (4)** environmental impacts that cannot be fully mitigated and are therefore considered significant and unavoidable impacts after all feasible mitigation measures of the project are incorporated. The significant and unavoidable impacts are associated with the project's effects on **air quality, cultural resources, land use and agriculture, and transportation and circulation.**



# Proposed Conditions of Approval

- Proposed conditions of approval have been included based on the City's Supplemental Materials, Sphere of Influence Update, Municipal Service Review, and public input to be consistent with LAFCO Policies and the current circumstances.

## INFILL AND BUILD-OUT

- a. In order to encourage orderly growth in the area, and discourage urban sprawl, any proposals within the Sphere of Influence shall evaluate infill development opportunities such that properties already within the existing City Limits are developed at appropriate densities, a mix of land uses, and infrastructure needs are addressed.
- a. As a condition of an annexation application, the development on vacant or underutilized parcels already within the boundaries of the City shall be evaluated. The City shall provide LAFCO with a build-out estimate or inventory and document how it was prepared.

# Proposed Conditions of Approval

## **AGRICULTURE & OPEN SPACE**

- a. The City shall provide binding agricultural conservation easements sufficient to mitigate the conversion of prime agricultural land at a minimum ratio of 1:1, of the same or better quality, preferable on-site or in close proximity, alternatively within the Lompoc Valley. The City shall identify all agricultural and open space lands to be protected when preparing a Specific Plan or Development Plan and present a map and tentative agreements to LAFCO at the time of annexation submittal.
  
- b. As part of any annexation application for the Bailey Avenue Project, City shall submit binding contracts that will provide conservation easement(s) at a ratio of 1:1 for each acre of prime agricultural land lost due to the Project. Such easements shall be recorded prior to the filing of any Certificate of Completion of the annexation.

# Proposed Conditions of Approval

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## **JOBS/HOUSING RATIO & RHNA**

- a. The City proposes to implement the City's Inclusionary Housing Ordinance Chapter 17.324 within the Bailey Avenue and Bodger properties. The City shall identify the method for providing affordable unit requirements when preparing a Specific Plan or Development Plan and present the method to LAFCO at the time of annexation submittal.
- b. The City and County shall negotiate a Regional Housing needs Allocation (RHNA) transfer under a future annexation application regarding the Bailey Avenue and Bodger properties. Any agreement shall be included in a future property tax negotiation approved for future annexation.
- c. As a condition of an annexation application, the City shall evaluate the Jobs/Housing ratio. The Specific Plan or Development Plan should consider land uses that provide opportunities for employment and in particular, explore creating opportunities for head-of-household jobs. The City shall provide LAFCO with an analysis and findings identifying the land uses approved within the Bailey Avenue and Bodger properties as part of an annexation application submitted to LAFCO.

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# City & County Policies

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- Attachments F & G are applicable City and County Policies.
- Attachment E provides discussion regarding consistency with LAFCO policies.

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# Conclusion

- Commission would need to determine consistency with GC §56377 and other LAFCO policies regarding the potential loss of prime agricultural land.
- Determine adequacy of mitigation measures and commitments proposed to amend the Sphere of Influence.
- Determine if proposed Conditions of Approval are sufficient.
- Determine Sphere Factors GC 56425 (e) 1-5 are addressed.
- Conclude Findings of Fact and Statement of Overriding Considerations out weigh impacts.
- Provide direction to staff and City outlining expectations.

# Recommendation

**OPTIONS** – Consider directing staff to return with a formal resolution for the Commission’s final decision.

## ■ AVAILABLE TO THE COMMISSION

1. Deny, without Prejudice;
2. Deny the Proposal;
3. Request that the City withdraw the Application;
4. Approve the Proposal, in whole or in part, with terms and conditions;
5. Continue the hearing on the matter for any appropriate reason.