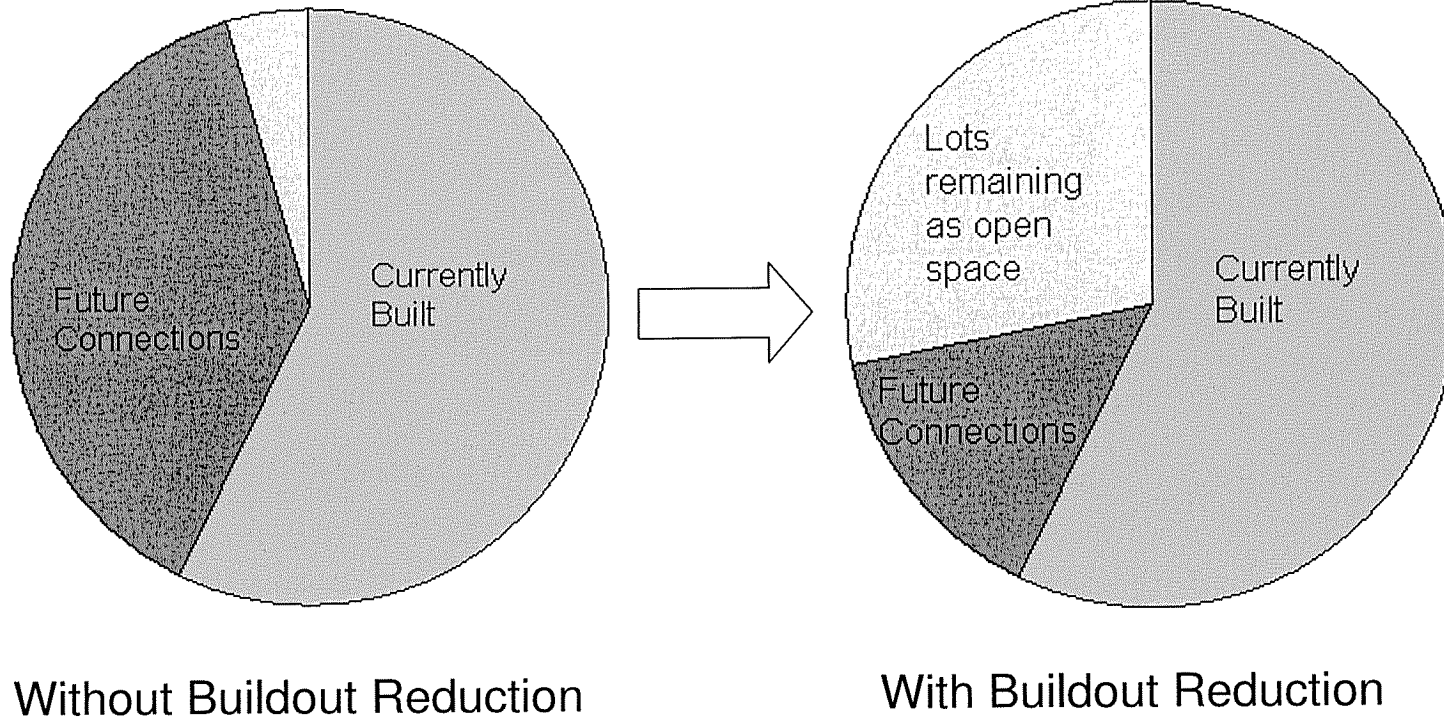


Residential Lots With & Without Buildout Reduction





Is Buildout Reduction Feasible?

- YES, it is economically feasible

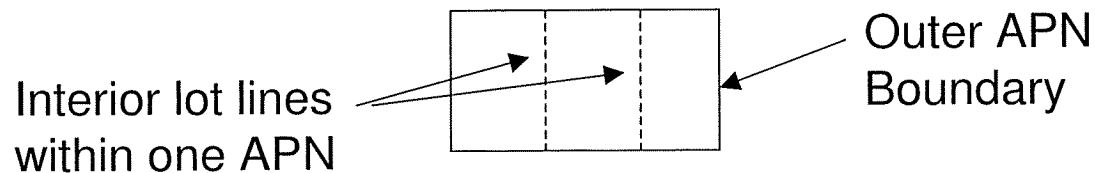
Key Definitions

■ Lot

- Legal unit of property that can be conveyed to another owner
- May or may not be a building site

■ Assessor's Parcel Number (APN)

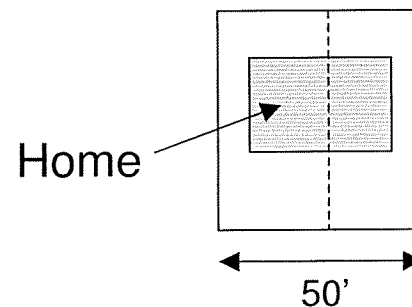
- Used for tax purposes
- One APN can be one lot or several lots



Key Definitions - continued

■ Building Site

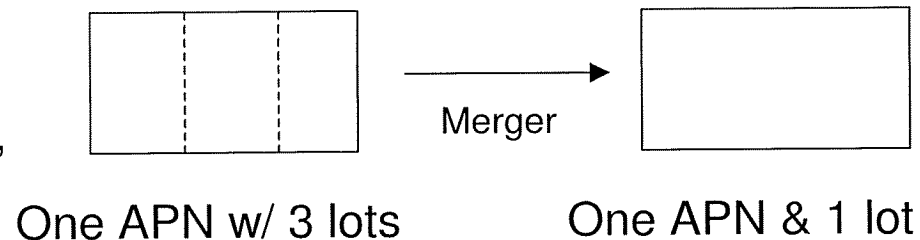
- Typically required to be > 3500 sf minimum & 50 feet of street frontage
- Two or more single lots often required in small lot subdivisions



Example Building site with two, 1750 sf lots

■ Lot Merger:

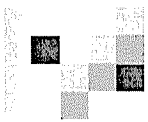
Combining two or more lots into a single legal lot: e.g.,





Key Definitions - continued

- Retired lot - legally restricted from obtaining any future water entitlement.
- Means for retiring lots:
 - Conservation & open space easements
 - Merger with other lots
 - Zoning & water use restrictions prohibiting construction or availability of water



Residential Lots

Vacant vs Built



--- CCSD Boundary

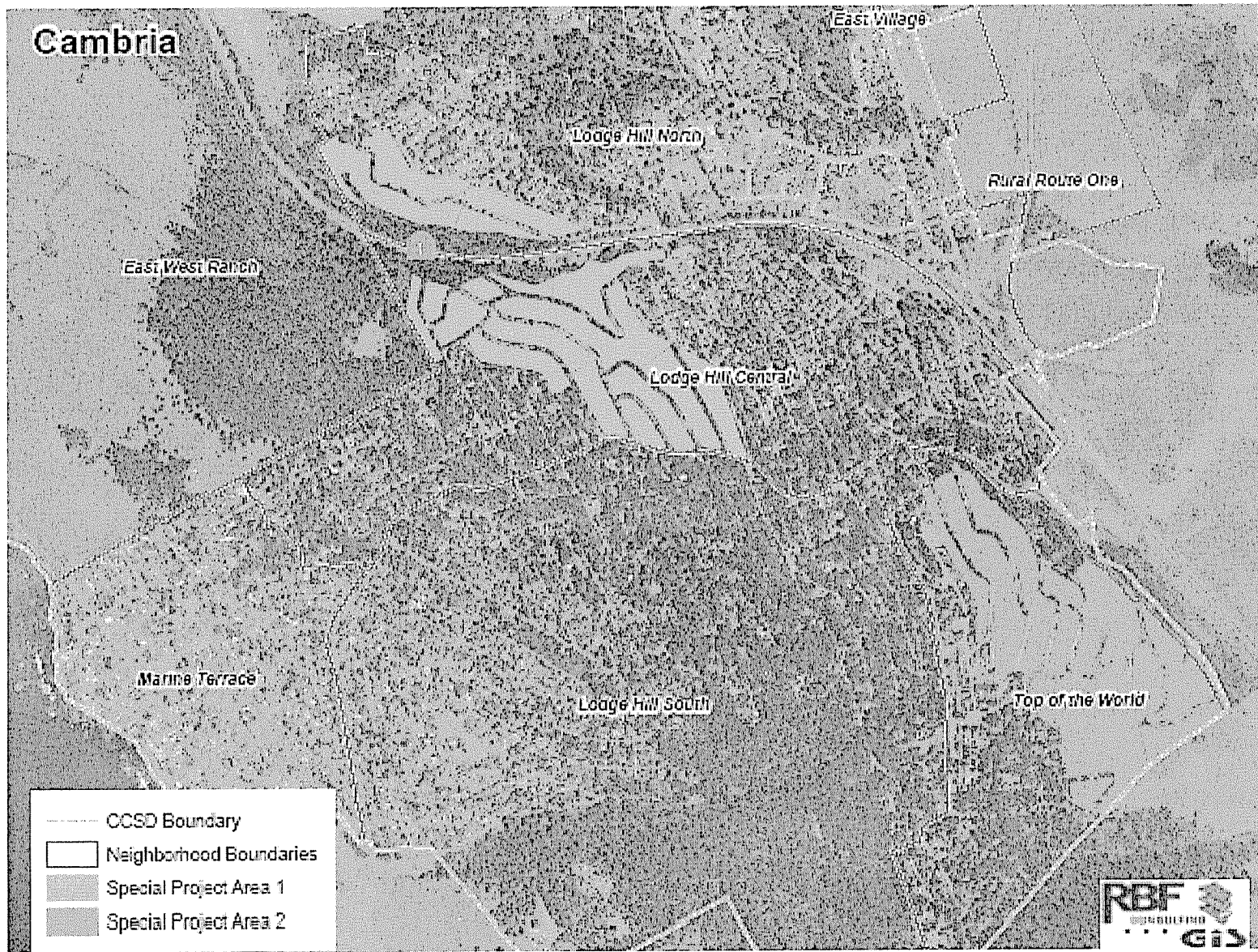
▭ Neighborhood Boundaries

■ Vacant Residential Landuse's

Residential | Built



Cambria



- CCSD Boundary
- ▭ Neighborhood Boundaries
- Special Project Area 1
- Special Project Area 2





Vacant/Built Residential Lots

- 11,923: Total existing lots
- 6,838: Developed lots
- 5,085: Vacant lots
- 3,786: Current residential water connections
 - 6: Pending connections
 - 31: Outstanding Intent to Serve Letters
 - 42: Grandfathered meters
 - 701: Existing CCSD Wait List positions
 - 84: Potential other CCSD water positions
- 4,650: Total maximum connections



Costs for Residential, Commercial and CCSD Waitlist Customers

- Residential water rate increase per month ~ \$ 8.81/ month
- Commercial water rate increase per month ~ \$ 39.40/month *
(* varies depending upon use)
- One-time residential buildout reduction fee (part of connection fees) for new construction \$10,127
- One-time commercial buildout reduction fee (per EDU) for new construction \$10,127
- One-time buildout reduction fee for major remodels (estimated) \$ 1,000



Total Cost of Program Over 22-Year Buildout Period

■ Land acquisition	\$29,313,000
■ Program Administration	2,200,000
■ Initial Weed Abatement	439,500
■ Transaction Costs ^[1]	2,931,300
■ Merger Incentive Costs	394,000
■ Contingency (10%)	3,549,600
■ Total Program Costs:	\$38,827,400

^[1] These include appraisal, title insurance, recording fee, escrow agent, buyer-paid commissions, and miscellaneous closing costs.



Program Funding Sources

- Additional fee for new water connections
- Special water rate increase
- Additional fee for remodels
- Sale of 65 of the 84 unallocated water connections that fall within the 4,650 cap



Steps in the Process of Selling Unallocated Water Positions

- CCSD transfers three unallocated residential water connections per year to approved land trusts
- Local land trusts sell the three water connections
- Proceeds used to purchase/retire potential building sites on the open market
- Lots retired with deed restriction or conservation easement
- Maintain lots and monitor restrictions after retirement



Lot Retirement Criteria

- Land trusts to choose lots for purchase or retirement only if property is a potential building site
- Adjacent to other retired lots
- Least cost for greatest benefit
- Important for habitat or open space protection
- No lot owner would be forced to sell

Cost Comparison with & without Sale of Unallocated Water Connections

	<u>With Sale of 65 Connections</u>		<u>Without Sale of 65 Connections</u>	
<u>Residential</u>				
Water Rate Increase:				
For Lot Acquisition	\$57	per year	\$118	per year
For Lot Maintenance	\$49	per year	\$49	per year
Total	\$106	per year	\$167	per year
Buildout Reduction Fee:	\$10,127	one time	\$20,960	one time
<u>Commercial</u>				
Water Rate Increase:				
For Lot Acquisition	\$255	per year	\$528	per year
For Lot Maintenance	\$218	per year	\$218	per year
Total	\$473	per year	\$746	per year
Buildout Reduction Fee:	\$10,127	one time, per EDU	\$20,960	one time, per EDU



Key Lot Data

- 4,650: max. existing/new residential connections
- 3,357: Lots to remain undeveloped
- 1,526: Lots already retired, owned by conservation groups, or in Special Project Areas
- 1,831: Lots to be retired/merged
- 952: Lots to be retired voluntarily
- 879: Lots to be purchased at fair market value



Program Funding Details

Sale of Unallocated Water		
Connections	\$19,500,000	50%
Remodel Fees	\$1,100,000	3%
Water Rate Increase - Residential	\$5,832,896	15%
Water Rate Increase - Commercial	\$1,458,224	4%
Buildout Reduction Fee - Residential	\$8,749,344	23%
Buildout Reduction Fee - Commercial	\$2,187,336	5%
	<hr/>	<hr/>
Total	\$38,827,800	100%



Program Implementation

- Approve Buildout Reduction Program
- Approve and Adopt Water Master Plan Program EIR
- Adopt Water Master Plan
- Incorporate Proposed Water Rate Adjustment into Water and Wastewater Rate Analysis and Modeling Study to be performed by Black and Veatch
- As funds accumulate, make them available for lot purchases and retirements.
- Begin transferring meters (three a year) to land trusts for sale, subject to lifting of moratorium
- Lift moratorium once the desalination project has made substantial progress and is nearing completion.
- Begin offering Intent to Serve Letters to waitlist positions



Program Timing

- Following adoption of the Water Master Plan and completion of the Water and Wastewater Rate Analysis and Modeling Study, portions of the Buildout Reduction Program could be launched as early as Spring 2007



Actions Needed to Ensure Success of Program

- Limit water/wastewater service to building sites within current CCSD boundaries
- Incorporate Buildout Reduction Program into EIR for Water Master Plan as a monitored mitigation measure
- Special Project Area 2 to have same development restrictions as Area 1



Public Outreach

- Town Hall Meeting – May 16, 2006
- Letters to wait list and lot owners following Town Hall meeting
- CCSD newsletter, web site and billing inserts for ongoing updates
- Press releases for local newspaper coverage



Recap of Program Benefits

- Maintain Cambria's quality of life
- Protect Cambria's forest and open space
- Conserve water
- Limit the growth-inducing impact of the desalination project
- Preserve a balance between potential growth and the sustained availability of public services



Contact

- Questions and/or comments should be addressed to CCSD General Manager Tammy Rudock (trudock@Cambriacsd.org)