

FAQs: Frequently Asked Questions – Revised May 16, 2006

1. Who will benefit from the Buildout Reduction Program (BRP)?

Cambria residents, landowners and visitors will benefit from a community that matches human impacts with environmental values and infrastructure capacity. The BRP will ensure that Cambria remains ‘in the pines’—enjoyed by residents and visitors alike.

2. How will the BRP be paid for?

Over the projected 22-year span of the BRP, costs would be paid from

- Sale of 65 unallocated water connections.
- A fee for new water connections.
- A specified water rate increase.
- A specified fee for remodels.

3. How will this affect my water rates?

Residential rates will increase by \$8.81 a month (\$17.62 per billing period)
Commercial rates will increase \$39.40 per month per EDU (\$78.80 per billing period)

4. How will this affect people on the CCSD wait list?

The 701 properties on the CCSD single family and multi family residential water waitlist will be eligible for water connections which will be made available over a period of 22 years or less.

5. Is the CCSD wait list tied to specific lots?

Yes, you have to own a lot to hold a wait list position.

6. Since the CCSD wait list is tied to specific lots, could the BRP attempt to guide where the additional connections are to be located?

No, it is better for the natural operation of the real estate market to guide the placement of the additional water connections. Also the fact that the CCSD wait list positions are tied to a specific lot does not guarantee that this is where the water meter will be eventually placed. Meter and wait list position transfers are allowed today and occur frequently.

7. How does the BRP relate to the desal plant?

This BRP is designed to mitigate potential growth-inducing consequences of a desalination plant by retiring building sites that exceed the maximum of 4,650 water connections that has been adopted.

8. Where did the number 4,650 maximum water connections come from?

It is the sum of existing residential water connections, pending connections, outstanding Intent to Serve Letters, grandfathered meters, existing CCSD waitlist positions, and unallocated connections. It is consistent with the proposed North Coast Area Plan and the recommendations of the Coastal Commission.

9. Why 22 years for the BRP?

Based on the County's current 1% growth rate, it will take 22 years to achieve buildout at 4,650 connections.

10. What happens to people with a buildable lot and no CCSD wait list position?

They have several options:

- Acquire and move a meter or CCSD waitlist position from another lot.
- Purchase an unallocated water connection from a land trust.
- Simply retain their property (do nothing).
- Sell their property.
- Donate their property.
- Merge their property with an adjacent parcel.
- Wait until the end of this 22-year implementation period to find out if they are eligible of the unallocated water meters.

11. What are the two Special Project Areas, and why the special restrictions?

Special Project Areas #1 and #2 are special planning areas designated by the county because of #1 trees and habitat, and #2, viewshed and habitat. Water entitlements cannot be transferred into them unless the building site is already on the CCSD waitlist for water connections. The BRP did not include these areas because there are other acquisition programs that focus on these areas. (This is currently true only for SPA #1. The CCSD Board would need to pass an ordinance for SPA #2).

12. Why do Commercial water customers have a higher water rate increase than Residential ones?

Commercial water rates are currently higher than residential rates, which is the common practice throughout the nation. The rate increase proposed is the same percentage increase for both commercial and residential. Residential customers will pay 15% of the costs of the BRP while commercial customers will pay 4%.

13. How does the BRP impact multi-family water connections?

The BRP includes multi-family water connections and lots.

14. How does the BRP impact commercial meters?

Future commercial water connections are limited to 20% of the water allocated for each year. The BRP limits the number of residential water connections. The commercial connections will therefore be limited to 20% of the water allocated for residential.

15. Who will own the lots and what will they be used for?

Most of the lots will be owned and maintained by CCSD with open space easements over them held by land trusts, but some might be owned by land trusts if they complement forest and open space reserves that already exist. Most will simply be open space and forest habitat.

16. What will the lots that have been acquired look like?

These lots will look like the 100's of lots already acquired and retired. They are and will remain as permanently dedicated open space.

17. Who will maintain the retired lots?

The owner of the lot is responsible for maintenance. If the lots are merged with another lot the owners of the merged lot will be responsible for maintenance. If a land trust owns the lot it will be required to maintain the lot. If the CCSD owns the lot it will have to maintain the lot. Maintenance will largely be weed abatement and fuel reduction. The cost of maintenance by the CCSD will be funded through the BRP.

18. Which lots, and how many, will be purchased?

A projected 879 lots that are part of potential building sites will be purchased.

19. Who will own the retired lots?

The CCSD, land trusts and private property owners who have either merged building sites into their property or agreed to covenants or easements to retain the lots as open space will own the retired lots.

20. Who will decide on which lots to purchase?

Land trusts in the BRP will have flexibility in choosing lots for purchase and retirement, as long as transactions retire a potential building site. Among the factors they could consider are

- Adjacency to other retired lots
- Least cost for greatest benefit
- Strategic importance for habitat or open space protection

21. Why are Greenspace and the Land Conservancy of SLO County chosen to help implement the BRP?

Local land trusts have knowledge of the community and experience in acquiring land for conservation purposes here.

22. Why doesn't CCSD sell the meters itself?

- It takes these decisions out of the hands of the CCSD Board.
- The CCSD would not have to increase staff to handle this new role.
- Confidentiality can better be assured for these business dealings.
- Donations to these non-profit charitable organizations could have tax or related benefits to donors.

23. How is the average selling price (\$300,000) of unallocated water connections justified?

Recently, single connections have sold for from \$200,000 to \$366,000.

- 24. How will the market value of a lot be determined?**
Market value will be determined by an appraisal by a qualified real estate appraiser.
- 25. Will lot retirement be voluntary?**
Yes. Lot retirement will be accomplished by donations, dedications, or voluntary sale for market value.
- 26. How will variances from the projected total BRP costs be dealt with?**
The costs and funding for the BRP are based upon our best projections today. It is expected that there will be some variances over the 22 years that the BRP is implemented. The expenses and revenues will be monitored and adjusted as necessary by the CCSD Board to accomplish the BRP's goals.
- 27. How do we know the price tag is accurate?**
The sum was based upon actual lot sales and water commitments. The land acquisition costs were based upon an analysis of the current average sale price of lots. The total lots to be retired are the actual numbers based upon current water usage, water commitments, and the current vacant lots. This information is the best and most accurate available today. As stated above in the answer to question 26, expenses and revenues will be monitored and adjusted as necessary to accomplish the BRP's goals.
- 28. How can we make sure County-owned surplus lots are qualified as part of BRP?**
The best we can do is request that the County of San Luis Obispo participate in our BRP by dedicating its lots to permanent open space.
- 29. Why not fund the BRP entirely with the sale of meters?**
Under the 4,650 cap on residential connections there are not enough unallocated connections available to pay for the projected cost of the BRP.
- 30. Why not accelerate the BRP by selling meters faster?**
The County caps the growth rate. Also, offering many water connections for sale at a time could distort the market.
- 31. Could building site retirement happen at a faster rate than the approval of water connections?**
Yes, the building sites could and should be retired as soon as possible to insure that the BRP continues to meet the yearly allocation of building permits by the County.
- 32. Is the number of CCSD wait list positions solid? Might there be attrition?**
Rarely someone on the wait list forfeits his or her position. The CCSD could add more to the wait list but this is very unlikely because under the County current application of its growth control ordinance the growth rate in Cambria is 1%.

Applying this to our projections it will be 22 years before the wait list is exhausted.

33. Are lots retired for reasons other than preventing building, i.e. protect trees?

The most significant reason for the CCSD to retire lots is water conservation. Retirement reduces the future need for water. Another significant reason for reducing building sites is that the public infrastructure for Cambria is significantly deficient. (E.g. roads, sewer, police services, etc.) Growth beyond that envisioned by the BRP would create a very unsafe situation because this growth would far exceed available public services and infrastructure. Other reasons are for fire safety, habitat and open space protection, and recreational opportunities

34. How long will lot retirement last?

The retired lot will remain retired forever.

35. How do we know the lots won't be sold for development at a later time?

Lots transferred to CCSD will have deed restrictions or conservation easements held by land trusts to prohibit building. Land trusts that retain lots similarly will retire those lots.

36. When will we begin the BRP? When will it be completed?

The CCSD can begin to implement the BRP after the water master plan is approved. (Approximately one year). The BRP ends when all of the lots are retired.

37. In 22 years after the BRP is implemented what will Cambria look like?

The lot reduction BRP will effectuate the retirement of lots to eliminate most of the available building sites thus capping the potential growth of Cambria. Cambria will most likely look the same as today.

38. Has a BRP like this worked elsewhere?

This exact program has not been implemented elsewhere. The BRP was developed over many years to fit the unique constraints and needs of the Cambria community. A team of qualified consultants and staff have researched potential methods, received community input, recommended viable solutions, and with the guidance of the CCSD Board and the Buildout Reduction Program Citizens Finance Steering Committee, collaborated to develop this program tailored to fit the issues presented in Cambria.

39. How will the land trusts and CCSD deal with potential legal action against them?

The CCSD agreement with the land trusts could include a clause requiring the CCSD to defend and indemnify them from lawsuits.

40. How does this Program relate to the Desal Project?

The declaration of the Water Code Section 350 water shortage emergency and the moratorium require the CCSD to find a long-term supplemental water source to resolve the water shortage and allow the moratorium to be lifted. The CCSD is adopting a Water Master Plan (“WMP”) that will identify supplemental water sources. The Desal Plant is the most feasible. State law requires that the EIR for the WMP consider the growth-inducing impacts of the WMP and requires the CCSD to adopt and implement all feasible mitigation measures to these impacts. The BRP is a feasible mitigation measure and will be part of the WMP and a requirement for permitting of the Desal Plant. As a monitored mitigation measure, it can be enforced by a citizen lawsuit.

41. Will there be a referendum to create an Urban Growth Boundary, and how will that prohibit growth beyond the current CCSD service boundary?

This has two parts: the supply of water outside the CCSD boundary and the supply of water to the area being annexed. The supply of water outside the CCSD boundary will require a vote by CCSD electorate. The supply to areas being annexed is not fully resolved, but should require a vote prior to the CCSD informing the Local Agency Formation Commission (LAFCO) that sufficient water exists. Annexed areas could also require a voter-approved amendment to the WMP.

42. Doesn't this Program 'take' property without compensating owners?

- No one will be forced to sell his or her property under this Program.
- Under existing CCSD ordinances, certain properties have been ineligible for water service for decades--i.e., lots smaller than 3,500 square feet and with less than 50 feet of street frontage; and lots in Special Project Area 1 that do not already have a water allocation.
- The cap of 4,650 water connections is based upon the County's EIR on the Cambria and San Simeon Acres Community Plans of the North Coast Area Plan.
- The purchase of land in the District has never constituted a guarantee of water service.
- In conjunction with the Desal Project, the BRP will allow CCSD waitlist people to receive Intent to Serve letters, will allow other people to purchase waitlist positions with the expectation of water service, and will allow purchase of water connections from a land trust.

43. Why do current ratepayers have to subsidize new water connections?

Everyone who has to pay for water service in Cambria will benefit from the desalination plant. The water will be more dependable during drought conditions, eliminating the need for severe water conservation measures and water rate surcharges. The BRP is a required mitigation measure to the permitting of the

Desal Plant that will provide current water customers with a dependable water supply. Water rate increases are projected to comprise only 15% of the Program costs. Those on the waitlist will contribute 23% in the form of a special connection fee. Fifty percent of the Program is funded through sale of the 65 unallocated water connections.

44. How do I find out if my lot is on the list of lots to be purchased?

There is no master list of lots to be purchased. We do not know who is willing to sell his or her lot. We simply know that to make the number of available lots match the number of available water allocations, 879 lots need to be purchased. This will happen over the 22-year life of the Program. The lots to be purchased will depend on factors like cost, attributes for habitat and forest protection, proximity to other open space, relationship to existing development, etc.

45. Why are you ignoring people on the County waitlist?

The CCSD's BRP assumes that the County's growth control ordinance will continue to operate as it has done. The BRP is based upon a 1% growth rate or about 25-30 Single Family Residential (SFR) building permits a year. Based on this, when the moratorium is lifted, the CCSD's current wait list will not be exhausted for another 22 years. The total estimated time from today is 26 years. Thus the issue of what happens to the people on the County's wait list won't be addressed for over two decades. The people on this list are not in any worse situation with the CCSD's adoption and implementation of the BRP. County waitlist people can still purchase a water meter, purchase a CCSD wait list position, sell their property, or wait for 20+ years until future Boards of Supervisors and CCSD Boards decide who receive the 19 remaining water entitlements under the 4,650 cap. It is impossible to give the public a more precise answer because whatever we decide today can be undone and handled differently by future legislative action.

46. How solid are the numbers in the Program budget?

They are based on historical patterns in Cambria and conservative and professional judgments by our staff and consultants. We believe the Program is sufficiently innovative that it could be eligible for grants, and that there might be ways to augment Program income in new ways to reduce costs.