

Buildout Reduction Program Report

EXECUTIVE SUMMARY

By the Buildout Reduction Program Citizens Finance Committee

TOWN HALL MEETING Final Draft May 16, 2006

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Executive Summary

This report summarizes the work completed by the Buildout Reduction Program Citizens Finance Steering Committee, along with its recommendations for financing a buildout reduction program. The CCSD Board of Directors formed a Citizens Steering Committee during its December 15, 2005 Board meeting to bolster the CCSD's continuing effort to reduce buildout potential in Cambria. The buildout reduction effort is in alignment with an earlier Coastal Commission recommendation made during a 2001 Periodic Review of the San Luis Obispo County Local Coastal Program. The CCSD's goal of not exceeding a total of 4,650 existing and outstanding residential connections is also in alignment with the County's recently adopted Environmental Impact Report (EIR) on the "Cambria and San Simeon Acres Community Plans of the North Coast Area Plan."

The main purpose for reducing build out potential in Cambria is to maintain a balance between potential growth and the sustained availability of public services. A significant resource within Cambria is the area's Monterey pine forest. A fair and equitable buildout reduction plan seeks to support the long range planning developed for the area, while also maintaining Cambria's appeal for residents and visitors by significantly limiting future loss of forest and open space areas.

Water is a limited resource within Cambria, and the CCSD is planning to develop a desalination project to protect against future droughts, and to secure a reliable long-term water supply¹. To address the potential growth-inducing effects from the desalination project, the buildout reduction plan will be incorporated into the CCSD's Water Master Plan program-level EIR. This document is currently being completed by the CCSD and its consultant for public review later this year.

The Buildout Reduction Program seeks to retire or merge enough potential building sites so that there is a near match between those who are authorized to build under the cap of 4,650 existing and new residential water connections, and the number of suitable building sites. This will happen over a projected 22 years.

Funding would come from four suggested sources: an additional fee for new water connections, a special water rate increase, an additional fee for remodels, and sale of some unallocated water connections that fall within the 4,650 existing and future residential connections cap. Without the last source of funds, the first three increases would have to be much higher.

Local land trusts would sell three unallocated water connections a year over the projected 22-year life of the program, and use the proceeds to purchase and retire potential building sites. Sale of properties to the land trusts would be voluntary; no landowner would be forced to sell. Lots would be retired with a deed restriction or conservation easement, after which most would be transferred to CCSD.

The result will be a Cambria that retains the qualities residents and visitors appreciate, preserves its natural environment, and matches its size to available resources and infrastructure.

Summary of Data

- Maximum number of existing and new residential water connections
4,650
- Total number of lots to remain undeveloped
3,357

¹ A project cooperation agreement was fully executed with the Army Corps of Engineers on April 3, 2006.

- Lots already retired, owned by conservation entities or in special projects areas
1,526
- Residential lots to be retired and/or merged under this program
1,831
- Lots retired voluntarily through mergers, Transfer Development Credits (TDC) program, and water transfers 952
- Lots that will be purchased at fair market value (average from \$33,000-\$50,000)
879

Program Costs for Residential, Commercial and CCSD Waitlist Customers

- Residential water rate increase (per month, per customer)
\$8.81
- Commercial water rate increase (per month, per customer)
\$39.40
- One-time buildout reduction fee (part of connection fees) for new residents
\$10,127
- One-time commercial buildout reduction fee (part of connection fees)
\$10,127

**Total Program Costs (lot purchases, transaction costs, initial maintenance)
\$38,827,800**