

ORDINANCE NO. **3519**

AN ORDINANCE AMENDING TITLE 26 OF THE SAN LUIS OBISPO COUNTY CODE, THE GROWTH MANAGEMENT ORDINANCE, TO UPDATE GENERAL PROCEDURES AND TO ESTABLISH A GROWTH RATE FOR THE LOS OSOS URBAN AREA

The Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION 1: Section 26.01.030.(2). of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

- (2) Completion of Existing Construction Permits. Nothing in the title shall require any change in the plans, construction or approved use of a dwelling unit for which a construction permit has been issued before the effective date of this title, provided construction is commenced and completed in accordance with the provisions of the county code, including but not limited to: Title 19, Building and Construction Ordinance; Title 22, Land Use Ordinance; and Title 23, Coastal Zone Land Use Ordinance.

SECTION 2: Section 26.01.034 of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

- (1) Secondary Accessory Dwellings. Proposed new dwelling units constructed as secondary accessory dwellings in conformance with the requirements of the Land Use Ordinance, Title 22 and the Coastal Zone Land Use Ordinance, Title 23 of the county code.
- (4) Farm Support Quarters/Agricultural Worker Housing. Construction permit applications for farm support quarters and labor camps that house agricultural employees, on properties outside of village and urban reserve lines as defined in the county general plan, when authorized as farm support quarters under all applicable sections of the Land Use Ordinance, Title 22 or the Coastal Zone Land Use Ordinance, Title 23 of the county code and in accordance with the requirements of Health and Safety Code Section 17008.

SECTION 3: Section 26.01.040 of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

This title shall be administered by the director of planning and building, who will establish specific procedures, consistent with the intent of this title, and advise the public about its requirements. The responsibilities of the planning director under this

title include the following functions, which may be carried out by planning department employees under the supervision of the director:

- (1) Application Processing. Receive and review all applications for projects; certify that applications submitted have been properly completed; establish permanent files; conduct site project analyses; meet with applicants; collect fees; prepare reports; process appeals; present staff reports to the planning commission and board of supervisors where applicable; and
- (2) Permit Issuance. Issue construction permits for new dwelling units under this title and certify that all such permits are in full conformance with its requirements; and
- (3) Coordination. Refer and coordinate matters related to the administration of this title with other agencies and county departments; and
- (4) Amendment. Request that the board of supervisors initiate amendment of this title in a manner similar to Land Use Ordinance, Title 22, Section 22.70.040, Amendments, when such amendment would better implement the policies of the general plan and increase its effectiveness and/or improve or clarify the procedures or content of this title.

SECTION 4: Section 26.01.050(2) of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

- (2) Definitions. Definitions of the specialized terms and phrases used in this title are contained in certain other sections of this title where the terms and phrases are actually used, or in the documents comprising the county general plan, or in Titles 19, 22 or 23 of the county code. For purposes of this title, the following definitions shall also apply:
  - a. Allocation. The right, granted by this title, to make application for construction of a new dwelling unit (including the placement of a mobilehome or the conversion of a nonresidential structure to a dwelling unit) in the unincorporated area of San Luis Obispo County.
    1. When no allocations for dwelling units are available the allocation request will be put on a **public** waiting list.
    2. When allocations for dwelling units are available and a complete application for a construction permit is submitted, an allocation can concurrently be approved.
    3. An allocation is not a guarantee of receiving approval for the requested dwelling unit. The actual number of dwelling units to be allowed shall be determined by the board through an annual allocation review process. For those parcels that have requests filed prior to July 1, 2003 and

therefore have vested rights, the filing of the construction permit may occur prior to completion of any discretionary permits in order to satisfy the time frames required to reserve the allocation.

- b. Construction of this title. When used in this title, the words "shall," "will," and "is to" are always mandatory and not discretionary. The words "should" or "may" are permissive. The present tense includes the past and future tenses; and the future tense includes the present. The singular number includes the plural, and the plural the singular.
- c. Maximum Annual Allocation. The maximum annual allocation equals the annual number of construction permits that may be issued for new dwelling units per year in the unincorporated area of the county. The actual number of dwelling units to be allowed shall be determined by the board through an annual allocation review process.
- d. New Dwelling Unit. For the purposes of this title, "new dwelling unit" does not include the replacement of any existing, lawfully established dwelling unit with another unit on the same site, or the remodeling or enlargement of an existing unit, provided that the number of existing units is not increased. The construction of a new structure to be used as a dwelling unit includes but is not limited to:
  - 1. Placement of a mobilehome on an individual parcel;
  - 2. Placement of a mobilehome within a mobilehome park;
  - 3. Conversion of a nonresidential structure to a residential use;
  - 4. Action resulting in a structure becoming a primary dwelling unit;
  - 5. Ministerial and discretionary approvals that result in a structure becoming a dwelling unit.

~~For the purposes of this title, "new dwelling unit" does not include the replacement of any existing, lawfully established dwelling unit with another unit on the same site, or the remodeling or enlargement of an existing unit, provided that the number of existing units is not increased.~~

SECTION 5: Section 26.01.060 of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

Any person aggrieved by a decision of the director ~~of planning and building~~ involving the interpretation or application of this title may appeal any such decision as follows:

- (1) Processing of Appeals.
  - a. Timing and Form of Appeal. An appeal shall be filed within fourteen days of the decision that is the subject of the appeal. The appeal shall be in writing and shall be filed with the planning commission secretary using the forms provided by the department. The written appeal must state the factual and legal basis by which the appellant contends that he or she is entitled to have the decision of the director overturned.

- b. Filing Fee and Cost Recovery. The appeal shall be accompanied by an appeal fee in the amount then established by the county fee ordinance, representing a deposit to be used to reimburse the county for the actual costs and expenses incurred by the county in processing, investigating and deciding said appeal. The appellant shall execute a cost accounting agreement with the county pursuant to the county's fee ordinance to reimburse the county for the actual recorded costs, plus overhead, incurred by the county in processing the appeal.
  - c. Report and Hearing. When an appeal has been filed, the director shall prepare a report on the matter, and cause the appeal to be scheduled for consideration by the planning commission at its next available meeting after completion of the report.
  - d. Action and Findings. After holding a public hearing on the matter pursuant to subsection (2) of this section, the planning commission may affirm, affirm in part, or reverse the action, decision or determination that is the subject of the appeal, based upon findings of fact regarding the particular case. Such findings shall identify the reasons for the action on the appeal, and verify the compliance or noncompliance of the subject of the appeal with the provisions of this title.
  - e. Withdrawal of Appeal. After an appeal to a decision regarding the interpretation or application of this title has been filed, the appeal shall not be withdrawn except with the consent of the planning commission.
- (2) Public Hearing Notice. When a public hearing is to be held pursuant to this title, notice of the public hearing shall be provided as required by Government Code Sections 65091, et seq. and by any additional means the director of planning and building deems appropriate.
- (3) Appeal Jurisdiction. All appeals shall be heard by the planning commission. The following actions of the department of planning and building pertaining to the interpretation or application of this title may be appealed to the planning commission:
- a. Determinations on the meaning or applicability of the provisions of this title which are believed to be in error, and cannot be resolved with staff;
  - b. Any determination that information submitted with any application or request required by this title is incomplete;
  - c. Any decision of the department to approve or deny any application or request required by this title;
  - d. Any decision by the director of planning and building to revoke or cancel any application or request approved pursuant to this title.
- (4) Matters Excluded from Appeal. Specifically excluded from appeal are matters which for their resolution require the amendment or change of this title, or other county ordinances or resolutions.

- (5) Planning Commission Decisions. All decisions of the planning commission on appeals filed pursuant to this title are final.

SECTION 6: Section 26.01.070 of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

This section describes general procedures for determining the number of dwelling unit construction permit applications processed by the department of planning and building, how the annual allotment is to be conducted, what information must be included with an application submitted for processing under the provisions of this title, and the time limits for processing applications for new dwelling units to be permitted under this title.

- (1) Maximum Number of New Dwelling Units Allowed. The maximum annual allocation shall be limited to an amount sufficient to accommodate an increase of 2.3% per fiscal calendar year (that is, January 1 to December 31) in the number of dwelling units, unless otherwise specified in subsections (8), (9), (10) or (11) of this section. The number of new dwelling units to be allowed shall be based on the number of existing county unincorporated housing units.
- (2) Annual Review of Growth Management Program. The board of supervisors shall hold a public hearing to consider the summary report of the resource management system (RMS) as described in framework for planning of the general plan. The resource summary report is prepared ~~biennially or~~ as otherwise directed by the board of supervisors. Following the review of the RMS, the board shall evaluate the proposed growth rates for the ensuing fiscal calendar year in light of the availability of resources and services necessary to accommodate new development and may initiate proceedings to amend this title to modify the annual growth rate based on the evaluation of the RMS data. For those intermittent years in which the resource summary report is not prepared, the board shall evaluate the proposed growth rates in light of the best available information and data. ~~most recent board of supervisors' approved resource summary report~~
- (3) Distribution of Annual Allocations. After the allowed number of new dwelling units is determined by the board of supervisors through the process described in subsections (1) and (2) of this section, the allocation shall be distributed countywide, based on the availability of resources needed to support the new development ~~as defined by the RMS~~. No single applicant shall be eligible in any one fiscal year for more than five percent of the maximum annual allocation unless otherwise specified in this title.
  - a. Diversity of Dwelling Unit Types. In order to allow opportunities or development of individual dwelling units and larger residential projects and to encourage a variety of dwelling unit types, the maximum annual allocation of new dwelling units will be distributed as follows:

1. Thirty-five percent of the maximum annual allocation shall be reserved for developers of multifamily dwellings and dwelling unit projects approved as residential unit ownership projects such as cluster divisions, small lot single-family dwellings, or through adoption of a specific plan. Dwelling units to be developed in such projects may be carried over for one year upon written request of the applicant within the one hundred eighty days specified in subsection (7) of this section. If there are not enough applications for dwelling units to use up the thirty-five percent reservation, those unused allocations shall be made available for the sixty-five percent reservation noted in subsection (3)a.2. below.
  2. The remaining sixty-five percent of the maximum annual allocation shall be available for all other applicants for new dwelling units. If there are not enough applications for dwelling units to use up the sixty-five percent reservation, those unused allocations shall be made available for the thirty-five percent reservation noted in subsection (3)a.1. above.
- (4) Filing of Requests for Allocation. Applicants interested in building new dwelling units will file a request for allocation with the department of planning and building on a form provided by the department to allow the department to track the allocation. A complete application for the construction permits and full building plans are required at this time in addition to having completed any required discretionary permit review. If the application is determined to be incomplete by the department of planning and building, the construction permit application will be rejected and no allocation under the growth management ordinance will be approved.
- (5) Filing of Requests for Allocation. Applicants eligible to file a request for allocation are allowed an exception to the requirement that a complete application be submitted as follows:
- a. For a vested map that was filed and accepted for processing prior to May 20, 2003, a request for allocation can be selected for submittal as provided in the ordinance that was in place at the time of acceptance of the vesting map for processing.
  - b. For parcels located within communities with waiting lists as provided in subsections (9 10) and (10 11), or for any area where a waiting list of more than eighteen months exists.

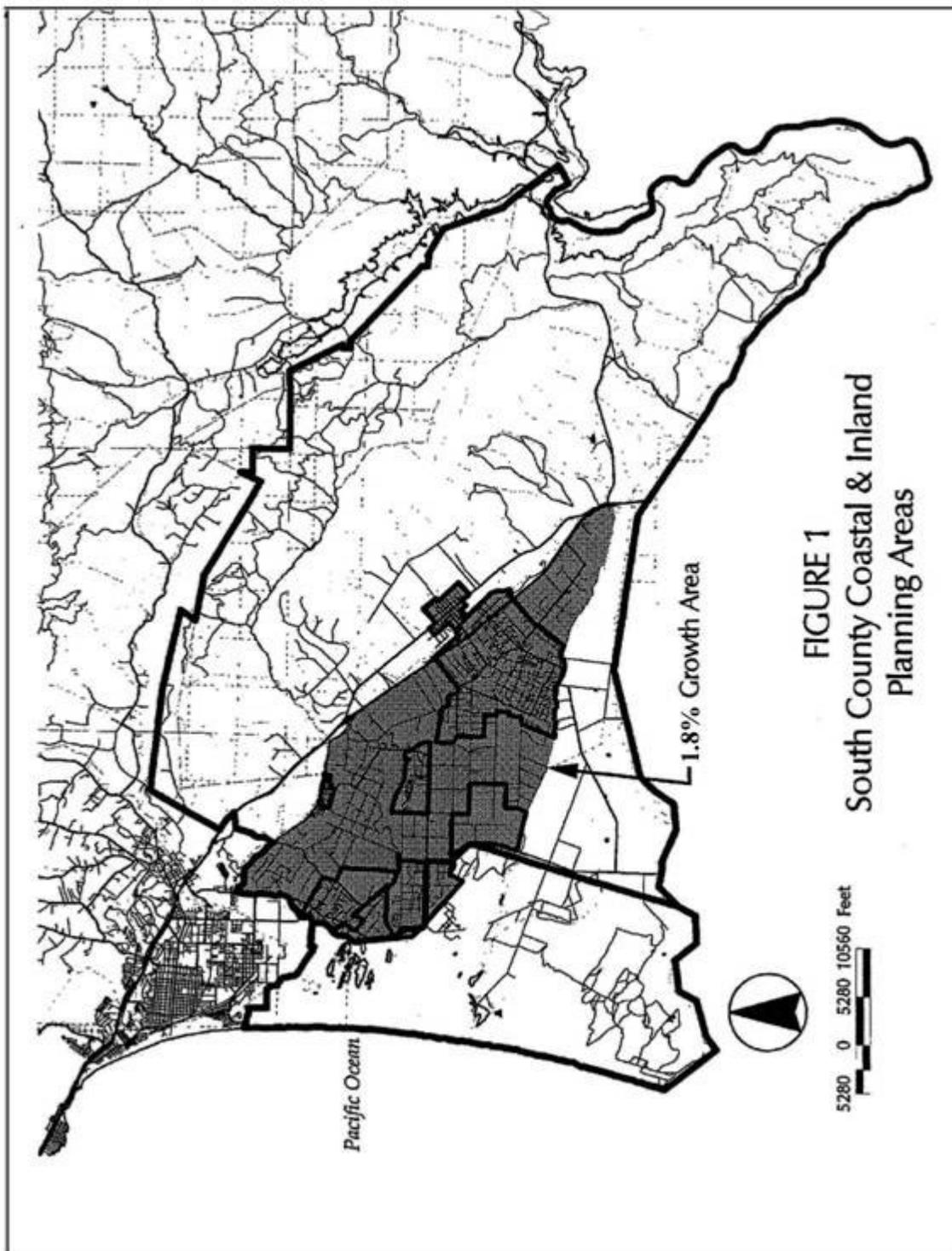
If an application meets the requirements noted in subsection (5)a. or (5)b. above, complete construction applications are not required at this time. The request for allocation will be accepted only from the owner of the parcel proposed for development, or an agent acting with the written authorization of the owner. The department will accept requests for allocations at any time and they will be processed on a first-come-first-served basis for as long as the vested status period of the map. Once the allocation can be selected, the applicant will have

one hundred twenty days to submit a complete application, except as provided in subsection (7) of this section. In any year where all allocations have been issued, requests for allocation will continue to be accepted and placed on a waiting list in the order in which they are filed, unless otherwise stated in subsections (9) and (10) for communities with waiting lists.

- (6) Limit on Number of Allocation Requests. A total of two requests for allocation will be accepted for any single legally-created parcel per year. Each request for allocation may be a request for multiple dwelling units, so long as the request does not exceed the limits in this subsection. An applicant may file a request for allocations for a maximum number of dwelling units not to exceed the following percentages of the total annual allocation for the respective areas:
- a. Five percent in the countywide area;
  - b. Ten percent in the Nipomo Mesa area; or
  - c. Twenty percent of the total annual allotment in the Nipomo Mesa area for multifamily/residential unit ownership projects that have received intent to serve letters from the applicable water district and meet any one of the following:
    1. Projects that are smart growth, senior housing, mixed use, green build (equivalent to LEED certified) and are located within, and meet the standards of the Olde Towne Nipomo design and circulation plan,
    2. Projects that guarantee long-term affordability for at least thirty-five percent of the units in accordance with county ordinance, or
    3. Projects that will result in the completion of construction of sections of road improvements identified on the South County circulation study road improvement list or will result in construction of road improvements where such construction will materially improve traffic and circulation on existing or proposed roads.
- (7) Authorization to File Construction Permit Applications for Communities Without Waiting Lists. The department ~~of planning and building~~ will accept complete applications for construction permits and make a growth management allocation on a first-come-first-served basis. For projects that qualify to use the request for allocation process, a growth management allocation will be made at the time of submittal and they will be allowed one hundred twenty days to submit a complete application from the time of selection. The method of allocation will be for the department to issue a letter of authorization to file a construction permit application for a new dwelling unit in accordance with Titles 19, 22, and 23 of the county code. Notification of authorization will be issued until the maximum annual allocation has been reached for the current fiscal calendar year. The application of a construction permit must be filed with the department within one hundred twenty days of the date on the letter of authorization in order to retain the allocation. The prescribed time limits for filing an application for a

construction permit shall apply to all requests for allocations filed with the department on or after May 2, 2000, except that any applicant who has been issued a letter of authorization prior to the effective date of this ordinance provision on July 20, 2000, shall have one hundred eighty days from the date of the authorization letter to submit a construction permit application, with an additional ninety days available upon submittal of a written request for the director ~~of planning and building~~ as described above.

- (8) Maximum Number of New Dwelling Units Allowed in the Nipomo Mesa Area. The maximum number of new dwelling units allowed in the Nipomo Mesa area (see Figure 1) shall not exceed a 1.8 percent increase in the number of existing dwelling units from the previous ~~fiscal calendar~~ year.

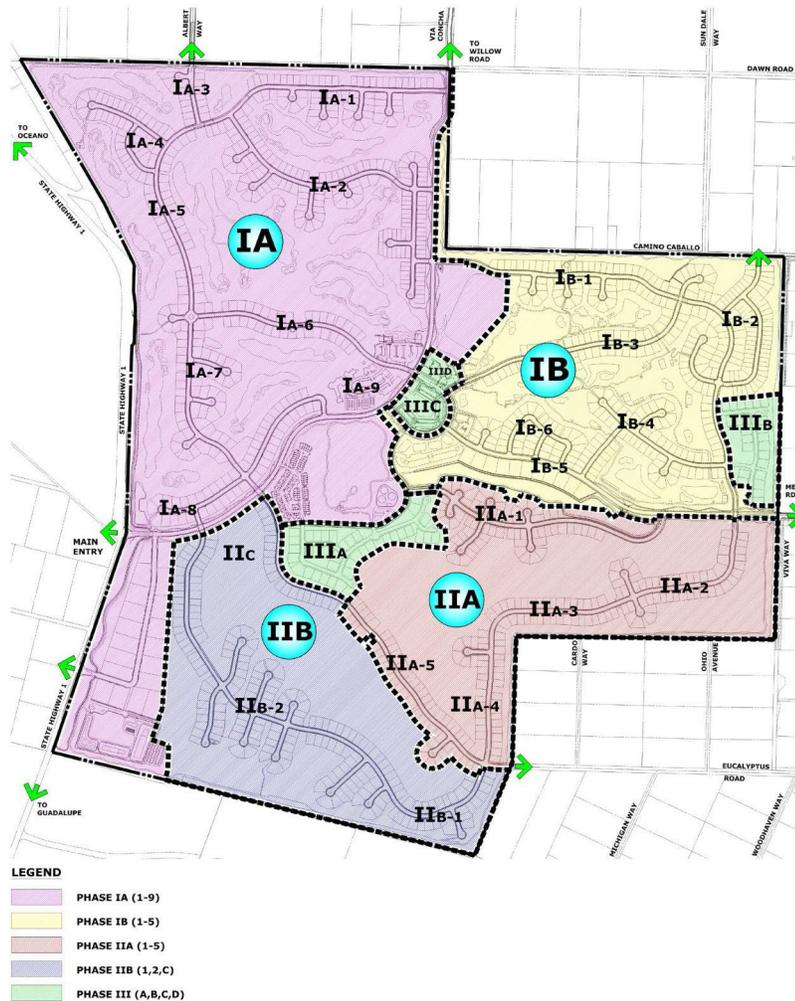


**Figure 1. South County Coastal and Inland Planning Areas**

- (9) Maximum Number and Timing of New Dwelling Units Allowed Within the Monarch Dunes Specific Plan Area. Notwithstanding any other provisions of this title,

allocations may be issued for the Monarch Dunes Specific Plan Area (see Figure 2) as follows:

- a. In accordance with the adopted Monarch Dunes Specific Plan phasing plan.
- b. Allocations issued to the Monarch Dunes Specific Plan Area are nontransferable and terminate only at issuance of building permits.
- c. The maximum number of all dwelling units for the Monarch Dunes Specific Plan Area shall be one thousand four hundred eighty-two.



**Figure 2. Monarch Dunes Specific Plan Phasing Plan, amended, June 6, 2023**

(10) ~~Communities with Existing Waiting Lists. The following communities have waiting lists for development. Those waiting lists are administered by the specified community service provider(s) and the issuance of allocations by the county shall be in accordance with the provisions of the local waiting lists, as specified below.~~

~~(10)-a.~~ Cambria. The Cambria Community Services District (CCSD) has an existing waiting list for water service permits. The CCSD is allocating resources in compliance with its own resource management policies and ordinances, so as to be compatible with the resource management system of the county general plan and to carry out the county's purposes, goals and objectives. In recognition of the management policies in place, the allocation of dwelling units in Cambria shall be conducted as follows:

a. ~~1.~~ Allocation Limit. The annual number of new dwelling units to be allocated shall not exceed 2.3 percent of the total number of dwelling units within the community services district boundary within the urban reserve line as designated in the county general plan. The dwelling units to be allocated shall be taken from those applicants next in line on the community waiting list. The number of allocated units may be reduced if the resources are not available to support the maximum number of potential allocations, as described below. Any dwelling unit allocations not utilized by Cambria shall become available for countywide allocation in accordance with the provisions of this title.

1. ~~i.~~ The maximum annual allocation shall be set at zero percent per fiscal year, resulting in no new allocation requests other than those accompanied by an intent-to-serve letter from the Cambria Community Services District for transferred meters and eight grandfathered allocations for new residences in Cambria each fiscal year.

2. ~~ii.~~ "Grandfathered" Units in Cambria. Of the total number of dwelling units to be allowed in Cambria each year, the Cambria Community Services District shall reserve eight allocations for parcels certified by the district as having "grandfathered" right to water service and "will serve" letters will be issued to such applicants on a first-come-first-served basis. These grandfathered units shall be allocated as follows: four units for Tract 1804 and four for the remaining units on the grandfather list. This increase shall be re-evaluated once the Cambria Community Services District has lifted the current moratorium on development that is not considered as grandfathered or active meter status.

3. ~~iii.~~ Transfer of Allocations in Cambria. Residential allocations may be transferred within the CCSD as long as any such transfer conforms with District Ordinance 1-93, as may be amended from time to time by the district relating to retirement of development rights.

b. ~~2.~~ Freezing of Existing Waiting Lists. In order to eventually eliminate the need for an individual community waiting list for services, the CCSD list

that exists as of December 31, 1990, shall be frozen for purposes of administering this title. The county shall obtain a certified copy of the waiting list and all future allocations within the community shall come from the certified list. Any applicant wishing to apply for a dwelling unit allocation that is not on the certified list shall apply to the county for placement on the county's waiting list for requests for allocation. However, per section (a)(i) above, no new allocation requests other than those accompanied by an intent-to-serve letter from the Cambria Community Services District for transferred meters and eight grandfathered allocations for new residences in Cambria each fiscal year. At the point in the future when the existing community waiting list is exhausted, all future requests for new dwelling units shall be added to the county's waiting list on a first-come-first-served basis and all allocations for new dwelling units in the unincorporated county shall be made from the county waiting list.

~~(11) (40) Maximum Number of New Dwelling Units Allowed within the Los Osos Urban Reserve Line. Los Osos Prohibition Area. A portion of the unincorporated community of Los Osos is presently unable to have construction permits issued for new dwelling units because of a sewage disposal prohibition imposed by the California Regional Water Quality Control Board, Central Coast Region. On September 8, 1999, the regional board adopted criteria by which exemptions to the prohibition might be granted within the Bayview Heights and Martin Tract areas of Los Osos, a copy of which is on file with the director of the department of planning and building. This section applies to projects within the Los Osos Urban Reserve Line whose land use permits are accepted for processing or approved on or after the effective date of this section, November 29, 2024. In accordance with the California Coastal Commission certification of the Local Coastal Plan, for the purpose of allocations of dwelling units within the community of Los Osos, this section shall apply to all residential dwelling units, including accessory dwellings and deed-restricted affordable housing dwelling units, within the Los Osos Urban Reserve Line.~~

- a. ~~Annual maximum allocation of dwelling units within the Los Osos Urban Reserve Line shall be conducted as follows: The annual growth rate shall be established based on review of the best available groundwater monitoring data. The department shall conduct such review and provide a recommendation to the Board of Supervisors. Such review shall include consideration of recommendations from the Los Osos Basin Management Committee and the Groundwater Sustainability Director's review of such recommendations. The maximum annual growth rate within the Los Osos Urban Reserve Line shall be as follows:~~

1. ~~Calendar Year 2025: Annual growth rate of 0.4%.~~

2. Calendar Year 2026: Annual growth rate of 0.6%.
3. Calendar Year 2027: Annual growth rate of 0.8%.
4. Calendar Year 2028 and beyond: Annual growth rate shall be established based on a 5-year rolling average of the most recent annual basin yield metric, as reported by the Los Osos Basin Management Committee's annual reports.

Table 1. Annual Growth Rate based on Basin Yield Metric.

<u>5-Year Rolling Average of Annual Basin Yield Metric</u>	<u>Annual Growth Rate</u>
<u>≤80%</u>	<u>1.0%</u>
<u>&gt;80% to 81%</u>	<u>0.8%</u>
<u>&gt;81% to 82%</u>	<u>0.6%</u>
<u>&gt;82% to 83%</u>	<u>0.4%</u>
<u>&gt;83% to 84%</u>	<u>0.2%</u>
<u>&gt;84%</u>	<u>0.0%</u>

- b. Definitions for the Allocation Process within the Los Osos Urban Reserve Line.
  1. Waitlist Property Owners. Property owners with a parcel included on the Los Osos Waitlist to Build.
  2. Notice. The following definition shall be used in this ordinance to define the following: "Notice", "Notifies", "Notified", "Noticing". A dated, written Notice of Authorization to File for a Construction Permit from the department to Waitlist Property Owners.
  3. Batch. A portion of the maximum annual allocation allowed for the annual maximum growth rate of the calendar year, per Table 1. A Waitlist Property Owner will be Notified of their property's assigned Batch Number within the timeframe described in Table 2.
  4. Response. The following definition shall be used in this ordinance to define the following: "Response", "Respond", "Responds", "Responded". A written confirmation from a Waitlist Property Owner who has received a written Notice from the department on a department-provided form, which

confirms and declares that the Waitlist Property Owner is either:

- i. Ready to submit a construction permit application within the deadline indicated on the Notice, or
    - ii. Not ready to submit a construction permit application within the deadline indicated on the Notice and agrees to postpone submittal of a construction permit.
  5. Postpone. Agreement of a Notified Waitlist Property Owner to postpone or delay submittal of a construction permit application beyond the deadline indicated on the Notice.
  6. Unused Allocations. Allocations that were confirmed in writing by a Notified Waitlist Property Owner (who received a Notice of Authorization to File for a Construction Permit) as not ready to submit within the deadline indicated on the Notice and agree to postpone submittal of a construction permit application or that were not confirmed in writing by a Notified Waitlist Property Owner within the deadline indicated on the Notice.
  7. "Los Osos Waitlist to Build". The Los Osos Waitlist to Build established prior to November 29, 2024, shall be utilized when determining the priority of allocations within the community sewer service area.
- c. Distribution of Annual Maximum Allocation of Dwelling Units Within the Los Osos Urban Reserve Line.
1. Dwellings Within the Community Sewer Service Area. Prior to July 1 of each calendar year the number of allocations for dwellings within the community sewer service area shall not exceed seventy-five percent of the annual maximum allocation.
  2. Dwellings Outside of the Community Sewer Service Area, Accessory Dwellings, and Deed-restricted Affordable Housing. Prior to July 1 of each calendar year, twenty-five percent of the annual maximum allocation shall be reserved for dwellings outside of the community sewer service area, accessory dwellings, and deed-restricted affordable housing.
  3. Noticing Timeframe. After the maximum allocation has been approved by the Board, and prior to January 1 of the upcoming calendar year or as soon as is reasonably practicable, the department will distribute a written Notice to Waitlist Property Owners of their position on the Waitlist to Build and which

Batch Number in the upcoming calendar year that their property belongs to, as well as the pertinent deadlines. Waitlist Property Owners shall use the Batch Number provided in the Notice and the time periods identified in Table 2 (as may be modified in the Notice), to determine when action is required.

4. Confirmation by Notified Waitlist Property Owners. Waitlist Property Owners who have received written Notice of Authorization to File for a Construction Permit will be required to confirm in writing by means of the department-provided form within the deadline indicated on the Notice to declare that they are either:
  - i. Ready to submit a construction permit application within the deadline indicated on the Notice, or
  - ii. Not ready to submit a construction permit application within the deadline indicated on the Notice and agrees to postpone submittal of a construction permit application.
5. Ending Postponement of Allocation. A Notified Waitlist Property Owner who previously agreed to postpone submittal of a construction permit application, through the department-provided form or through no response, may notify the department at any time using the department-provided form that they are ready to submit a construction permit application. This Waitlist Property Owner would receive priority in allocation distribution once new allocations are available and would receive a new Notice from the department within the Noticing timeframe described in Table 2 and subsection (c)(3).
6. “Banking” of Allocation for Multi-Family Dwelling Units. Multi-family dwelling projects with confirmed allocation requests may “bank” their confirmed allocation over multiple years in order to accrue the total number of allocated units required for the project without submitting a construction permit application.
  - i. Within the deadline indicated on the Notice: Waitlist Property Owner shall provide evidence that water and wastewater requirements have been satisfied, pursuant to subsection (d)2. and (d) 3. of this section.

- ii. To utilize “banked” allocations and to be eligible to submit a construction permit application: Waitlist Property Owner shall provide evidence of Certificate of Inclusion issuance, or equivalent, pursuant to subsection (d)4. of this section.

Table 2. Annual Timeframe of the Allocation Process with  
Action Required of Property Owners for the Community Sewer Service Area

<u>Annual Timeframe</u>	<u>Allocation Process</u>	<u>Action Required of Property Owners</u>
<u>After the Board of Supervisors approves the maximum annual allocation for the upcoming calendar year and prior to January 1 of the upcoming calendar year, or as soon as is reasonably practicable</u>	<u>Department distributes a written Notice to Waitlist Property Owners of their position on the Waitlist to Build and which Batch Number in the upcoming calendar year their property belongs to, as well as all applicable deadlines.</u>	<u>No action required of Waitlist Property Owners.</u>
<u>January 1 to February 1</u>	<u>Batch Number 1 of Waitlist Property Owners Respond to Notice.</u>	<u>Waitlist Property Owners Respond by February 1 through written confirmation on the department-provided form.</u>  <u>Waitlist Property Owners who declare readiness to submit a construction permit application on the department-provided form must do so within 45 days of February 1, or as indicated on the Notice.</u>

<u>Annual Timeframe</u>	<u>Allocation Process</u>	<u>Action Required of Property Owners</u>
<u>March 1 to April 1</u>	<u>Batch Number 2 of Waitlist Property Owners Respond to Notice.</u>	<p><u>Waitlist Property Owners Respond by April 1 through written confirmation on the department-provided form.</u></p> <p><u>If Unused Allocations are confirmed by the department, Waitlist Property Owners who declare readiness to submit a construction permit application on the department-provided form must do so within 45 days of April 1, or as indicated on the Notice.</u></p>

<u>Annual Timeframe</u>	<u>Allocation Process</u>	<u>Action Required of Property Owners</u>
<u>May 1 to June 1</u>	<u>Batch Number 3 of Waitlist Property Owners Respond to Notice.</u>	<p><u>Waitlist Property Owners Respond by June 1 through written confirmation on the department-provided form.</u></p> <p><u>If Unused Allocations are confirmed by the department, Waitlist Property Owners who declare readiness to submit a construction permit application on the department-provided form must do so within 45 days of June 1, or as indicated on the Notice.</u></p>
<u>July 1 to August 1</u>	<p><u>Open Period for any Waitlist Property Owner to notify the department per the department-provided form of readiness to submit a construction permit application.</u></p> <p><u>Any Unused Allocation in the Los Osos Urban Reserve Line will be prioritized for dwellings in the community sewer service area and by position on waitlist.</u></p>	<u>Waitlist Property Owners notify the department in writing per the department-provided form of readiness to submit a construction permit application.</u>

<u>Annual Timeframe</u>	<u>Allocation Process</u>	<u>Action Required of Property Owners</u>
<u>August 16 to September 30</u>	<u>Department Notifies Waitlist Property Owners who requested to use Unused Allocations between July 1 and August 1 that they may submit a construction permit application.</u>	<u>Notified Waitlist Property Owners must submit a construction permit application by September 30, or as indicated on the Notice.</u>
<u>October 1 to December 31</u>	<u>Any Unused Allocation may be made available for all properties within the community sewer service area on a first-come, first-served basis regardless of Waitlist position.</u>	<u>Property Owners submit a construction permit application for a dwelling in the community sewer service area may submit between October 1 and December 31.</u>

d. Construction permits may only be accepted if all of the following are true:

1. Allocations for the calendar year are available.
2. The applicant provided evidence that the water purveyor has sufficient water service capacity and will serve the project or, if not served by a water purveyor, that the on-site well has demonstrated adequate availability of potable water.
3. The applicant provided evidence that the community wastewater treatment service provider has sufficient service capacity and will serve the project or, if not served by a community wastewater service provider, that the on-site wastewater treatment system complies with all applicable regulations (such as the Local Agency Management Program).
4. The applicant has been issued a Certificate of Inclusion, or equivalent, to demonstrate participation in and compliance with the Los Osos Habitat Conservation Plan or otherwise equivalent approvals from the U.S. Fish and Wildlife Service.

~~In the areas where the development prohibition is imposed, a request for allocation may be filed and land use permits and construction permits for new dwelling units may be processed as specified below.~~

- ~~a.— Notice of Authorization to File Construction Permit Applications to Persons on Existing Waiting List. Those persons who have filed requests for allocation and are on the existing waiting list for Los Osos will be notified that they can proceed to file construction permit applications and accompanying land use permit applications where necessary, in accordance with the time frames specified in subsection (5) of this section.
  - ~~1.— Request to Defer Filing of Application. Those persons receiving the notice described in subsection (10)a. above may notify the department within the time frames specified in subsection (5) of this section that they do not wish to proceed at this time and request that their allocation be deferred until a future date.~~
  - ~~2.— Activation of Deferred Allocations. The applicant may notify the department at some future date that they wish to proceed with the filing of a development application. As long as there are unused allocations within the current maximum annual allocation established by the board of supervisors, the department will issue a letter of authorization to proceed in accordance with the subsection (5) of this section.~~
  - ~~3.— Expiration of Deferred Allocations. All deferred allocations will be retained on the waiting list for Los Osos through June 30, 2030, at which time all unused allocations will be considered expired.~~~~
- ~~b.— Processing of Applications. The department will process all applications for land use and construction permits; however, no permits will be issued until the applicant provides verification to the department that an exemption to the area wide prohibition has been granted by the Regional Water Quality Control Board in accordance with the criteria adopted by the California Regional Water Quality Control Board, Central Coast Region, on September 8, 1999, or as subsequently amended.~~
- ~~c.— New Requests for Allocation Within the Prohibitions Area. All requests for allocation will be accepted in accordance with subsections (4) and (5) above and added to the countywide list of requests for allocation.~~

SECTION 7: Section 26.01.072 of the Growth Management Ordinance, Title 26 of the San Luis Obispo County Code, is hereby amended as follows:

## **26.01.072 071 – Post-allocation procedures.**

Following the determination by the board of supervisors of the maximum annual allocation, those allocations shall be subject to the following:

- (1) Transfer of Allocations. Dwelling units will be allocated through the process described in Section 26.01.070 of this chapter to specific parcels, except that allocations may be transferred within the Cambria community services district as described in Section 26.01.070(10)a.1.iii. of this chapter, or on other properties in the unincorporated county where approved as part of a county transfer of development credits (TDC) program.
- (2) Expiration of Allocations. After receiving a dwelling unit allocation as provided by this chapter, the applicant must file a complete construction permit application along with any required land use permit application within the number of days of the date of notice of an allocation as provided in Section 26.01.070(7), plus any requested time extension for such filing.
- ~~(3) Carryover of Individual Annual Allocations. The only exceptions to the expiration rules specified in subsection (2) of this section will be for properties for which multifamily units or units in residential unit ownership projects are proposed in compliance with Section 26.01.070(3)a.1.~~
- ~~(4)~~ (3) Carryover of Unused Maximum Annual Allocation. If all the units allocated countywide are not requested in the year in which they are allocated, the unused allocations may be carried over to the following allocation year at the discretion of the board of supervisors in a number not to exceed ten percent of the maximum annual allocation of that year. Such a determination shall be made at the time the board establishes the next maximum annual allocation as specified in this title.
- ~~(5)~~ (4) Reallocation of Expired Units. Where any applicant withdraws ~~his~~ an application, or where such application has been deemed expired pursuant to the provisions of this chapter, that unused allocation shall become available for use within the current maximum annual allocation as if it were a new request for allocation, subject to all provisions of this chapter. Where the allocation is located within a community subject to a waiting list as described in Sections ~~26.01.070(10)~~ and (11) of this chapter, the allocation shall be made available within that community subject to the ordinance or administrative procedures adopted by the service provider within that community.

SECTION 8: That the activity is covered by the Final Environmental Impact Report (FEIR) (SCH # 2015031090) certified for the Los Osos Community Plan and the California Coastal Commission's certification of the Los Osos Community Plan Local Coastal Program Amendment (LCP-3-SLO-21-0028-1-Part G) pursuant to Public Resources Code Section 21000 et. seq., and CA Code of Regulations Section 15000 et seq.

SECTION 9: If any section, subsection, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase, or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 10: This ordinance shall take effect and be in full force on and after 30 days from the date of its passage hereof. Within 15 days after adoption of this amendment, a summary shall be published once in a newspaper of general circulation in the County of San Luis Obispo, State of California, together with the names of the members of the Board of Supervisors voting for and against the ordinance.

INTRODUCED at a regular meeting of the Board of Supervisors held on the 8<sup>th</sup> day of October, 2024, and PASSED and ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the 29<sup>th</sup> day of October, 2024, by the following roll call vote, to wit:

AYES: Supervisors Gibson, Paulding, Peschong, Ortiz-Legg and Chairperson Arnold

NOES: None

ABSENT: None

ABSTAINING:None

Debbie Arnold

Chairperson of the Board of Supervisors  
County of San Luis Obispo  
State of California

MATTHEW PONTES

Ex-Officio Clerk of the Board of Supervisors

By: Niki Martin

Deputy Clerk