

ENVIRONMENTAL SETTING

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REGULATORY SETTING

Pursuant to State law (Government Code Section 54773 et seq.) a Local Agency Formation Commission (LAFCO) was established in each county to promote the orderly development of local government agencies, efficient provision of services, to guide development away from prime agricultural land and to discourage urban sprawl. Pursuant to State law, LAFCOs must adopt a Sphere of Influence (SOI) for each governmental agency (including special districts), which is probable physical boundaries and service area of a local government.

The City and County of Santa Cruz are responsible for approval of use permits and other discretionary approvals related to development applications within their respective jurisdictions. The University of California as a state agency is not required to obtain local use permits from the City or County.

EXISTING & PLANNED LAND USES IN PROJECT AREA

Existing Land Uses

The approximately 374-acre project site is located on the University of California Santa Cruz (UCSC) campus north of the existing developed portion of the campus (see Figures 1 and 2¹), owned by the University of California. Known as “North Campus” in the University’s 2005 Long-Range Development Plan (2005 LRDP), the project site is located within the unincorporated portion of Santa Cruz County, contiguous to the City’s jurisdictional limits.

¹ All EIR figures are included in Chapter 8.0 at the end of the EIR (before appendices) for ease of reference as some figures are referenced in several sections.

The existing developed campus is located within the existing city limits of Santa Cruz, except for a portion of Colleges 9/10 and the Crown Merrill Apartments as discussed below.

The North Campus project site is primarily undeveloped. A small portion of UCSC's Colleges 9/10 and almost two-thirds of the Crown Merrill Apartment complex are located within the project area and are presently being served by the City's Water Department and sewer lines. Existing residential uses within this approximate 6-acre area consist of all or part of 12 residential buildings (see Figure 14) with approximately 80 student apartments that provide approximately 398 student beds. Estimated student residential population in these facilities in fall 2008 was approximately 378 persons (Morgan, UCSC, personal communication, September 2009).

The remainder of the North Campus area is undeveloped except for a network of UCSC constructed fire break gravel roads, underground water lines, a water system pump station, fire hydrants, and abandoned water tanks. The 245-acre area is characterized mostly by redwood forest habitat with mixed evergreen forest along the southern and western edges of the North Campus area. None of the campus lands, including the North Campus project site, is zoned Timberland Protection Zone (TPZ) (University of California, Santa Cruz, September 2006, Volume Two).

The project area does not contain agricultural lands or lands designed for agricultural use under the California Statewide Farmland Mapping Act. Based on the California Department of Conservation Farmland Mapping and Monitoring Program, no part of the UCSC campus has been designated as Prime Farmland or Farmland of Statewide Importance developed by the California Department of Conservation. The Center for Agroecology and Sustainable Food Systems, which is located in the central campus outside of the north campus, is designated Unique Farmland.

Land Use Designations & Planned Land Uses

The project site is located within the unincorporated area of Santa Cruz County. The area is designated "Public Facilities" in the County General Plan and is zoned "Public Facilities." The project area is not located within the County's "Urban Service Line."

The City of Santa Cruz includes the project site in its 1990-2005 General Plan/Local Coastal Plan. The UCSC campus is designated "UC Santa Cruz Development", and the developed lower campus also has some areas that are designated "Agriculture/Grazing" and "Natural Areas. The Agriculture and Natural Areas designations occur on the main campus, and according to UCSC, reflect the University's 1988 LRDP land use designations (University of California Santa Cruz, September 2006, Volume II). The North Campus project area is designated "UCSC Development." Figure 15 shows the City's existing General Plan

designation for UCSC. The UCSC campus area within existing city limits is zoned “Public Facilities” in the City of Santa Cruz.

As previously indicated, the University of California as a state agency is not required to obtain local use permits from the City or County. Campus development and expansion is planned for the North Campus area in the University’s 2005 Long Range Development Plan. All future development and infrastructure necessary to accommodate the development will be designed, approved, and constructed by the University.

UCSC’s 2005 LRDP designates the following land uses for the proposed SOI amendment project area: Colleges and Student Housing, Employee Housing, Physical Education and Recreation, Protected Landscape, Campus Natural Reserve, Campus Resource Lands, Campus Support, and Academic Core. Figure 11 shows the 2005 LRDP land use designations for the project area. Maximum new development square footage under the 2005 LRDP is estimated to be 3,175,000 square feet, and this development may occur within the SOI project area pursuant to terms of the Comprehensive Settlement Agreement. The 2005 LRDP has been approved by The Regents as an appropriate land use plan to accommodate the academic, research and student/faculty services for a projected campus enrollment of 19,500 full-time students by 2020-2021. Implementation of the 2005 LRDP contemplates that incremental development of the project area will be needed to support the enrollment growth and will occur throughout the 2005 LRDP planning horizon based on space demand.

Special Districts

According to information provided by the Santa Cruz LAFCO, the project site is located within the service areas of the districts identified below. None of these districts or county service areas have regulatory authority over the project SOI area. The University as a state agency does not pay property taxes, although private developments that lease land, i.e., on-campus private housing would be subject to local property taxes including assessments to these districts.

- ☐ Santa Cruz Elementary School District
- ☐ Santa Cruz High School District
- ☐ Cabrillo Joint Community College District
- ☐ Santa Cruz County Resource Conservation District Zone 4
- ☐ Santa Cruz Port District
- ☐ CSA 9 Public Works
- ☐ CSA 9, Zone C
- ☐ CSA 11 Parks
- ☐ CSA 12 Septic Maintenance
- ☐ CSA 38 Sheriff’s Patrol
- ☐ CSA 48 County Fire

- ☐ CSA 53 Mosquito Abatement
- ☐ Santa Cruz Metropolitan Transit District

LAFCO ROLE AND POLICIES

LAFCO Purpose & Objectives

The Local Agency Formation Commission (LAFCO) was created by State law in 1963 to regulate the boundaries of cities and special districts. There is a LAFCO in each of the 58 counties of California. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 states that among the purposes of a LAFCO are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing governmental services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Santa Cruz LAFCO website; <http://www.santacruzlafco.org> – “What is LAFCO?”).

The Santa Cruz LAFCO is comprised of seven members: two city council members chosen by the mayors of the cities in the county, two county supervisors chosen by the Board of Supervisors, two special district board members chosen by the twenty-four independent special district board chairpersons in the county, and a public member chosen by the other members of LAFCO (Santa Cruz LAFCO website; <http://www.santacruzlafco.org> – “LAFCO Home”).

LAFCO is required to review and approve or disapprove, with or without amendments, wholly, partially, or conditionally, governmental boundary change proposals with regards to spheres of influence, annexation, detachment, reorganization and/or extending a city’s water or sewer service area (Santa Cruz LAFCO website; <http://www.santacruzlafco.org> – “What is LAFCO?”).

In addition to the regulatory responsibilities referred to above, LAFCO is empowered to initiate and to make studies of existing governmental agencies. Such studies shall include, but not be limited to, inventorying such agencies and determining their maximum service areas and service capabilities.

LAFCO Policies & Review Standards

SPHERES OF INFLUENCE

In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities,

the Local Agency Formation Commission is required to develop and determine the sphere of influence of each local governmental agency within the county. A sphere of influence means a plan for the probable future physical boundaries and service area of a local governmental agency. Among the information considered in determining the sphere of influence of each local government agency, the Commission shall consider:

- ☐ The present and planned land uses in the area, including agricultural and open-space lands.
- ☐ The present and probable need for public facilities and services in the area.
- ☐ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- ☐ The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency. (Government Code Section 56425) (Santa Cruz LAFCO website; <http://www.santacruzlafco.org> – “What is LAFCO?”).

The Santa Cruz LAFCO’s “Sphere of Influence Policies and Guidelines”² include 12 policy guidelines outlined for LAFCO to consider on matters regarding spheres of influence. These policy guidelines indicate that LAFCO will use spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies (#1), supporting and taking into account City and County general plans (#2, 3). LAFCO normally will not include territory in a city sphere of influence which is not included in that city’s adopted general plan (#4), and proposals for urban development within a city’s sphere of influence should first be considered for annexation to that city (#11). Spheres of Influence will be periodically revised and updated to reflect changing conditions and circumstances (#5), and once adopted, are LAFCO’s primary guides for the area (#6), although annexation of territory within a sphere of influence is not automatic (#7). Other policies deal with special districts (#8), provision of services by more than one agency (#9), allocation of a “zero sphere of influence” (#10), and cooperation among agencies with jurisdiction in the coastal zone (#12). LAFCO will consider specific proposals on an individual basis. LAFCO promotes cooperation among the land use agencies with jurisdiction over lands in the Coastal Zone.

PROVISION OF EXTRATERRITORIAL SERVICES

In certain circumstances, State law allows LAFCO to authorize a city or district to provide a service outside the agency’s boundaries. Santa Cruz LAFCO has adopted procedures and policies for its consideration of these types of applications. In June 1994, the Santa Cruz LAFCO adopted a resolution regarding regulations for agencies to provide services to parties outside agency boundaries (Resolution No. 97-W). This resolution was amended in February 2007 (Resolution No. 2007-1). This resolution explains the procedures by which LAFCO will

² Originally adopted by the Santa Cruz LAFCO on June 4, 1980 (Resolution No. 97-K) with the last amendment on August 5, 1998 (Resolution No. 97-X).

review requests to authorize a city or district to provide one or more services outside its jurisdictional limits pursuant to Government Code Section 56133. Section 9 of the amended resolution indicates that state law stresses the primacy of spheres of influence in coordinating services and LAFCO intends to reinforce that the standard in that services will be extended by annexation (and sphere of influence amendment, if necessary). The Commission shall limit its extraterritorial service authorizations to public health emergencies and circumstances where: a) facilities are already in place, and b) annexation would not be practical, and c) extraterritorial service is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

FACTORS LAFCO MUST CONSIDER IN REVIEWING PROPOSALS

The Santa Cruz LAFCO's website indicates that there are 15 factors that LAFCO must consider in the review of a proposal (Santa Cruz LAFCO website; <http://www.santacruzlafco.org> – “What is LAFCO?”). These factors are summarized below:

- ☐ Physically divide an established community;
- ☐ Population (and proximity to populated areas) and land use information, including assessed valuation.
- ☐ The existing and future cost and adequacy of services, including availability of water supplies and ability to provide services.
- ☐ The effect of the action on mutual social and economic interests, and on the local governmental structure of the county.
- ☐ The conformity of the proposal with LAFCO's adopted “Standards for Evaluating Proposals” regarding provision of planned, orderly, efficient patterns of urban development (which are summarized further below).
- ☐ Effects on agricultural lands.
- ☐ The definiteness and certainty of the boundaries of the territory.
- ☐ Consistency with appropriate city or county general and specific plans and consideration of spheres of influence applicable to the proposal.
- ☐ The comments of any affected local agency, landowner(s), voters or residents of the affected territory.
- ☐ The extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs.
- ☐ Promotion of environmental justice.

In addition to the above, LAFCO's "Standards for Evaluating Proposals" were adopted pursuant to Government Code Section 56375 for the evaluation of proposals.³ LAFCO uses these standards when reviewing and acting upon proposals for annexations and other boundary changes. These standards include 16 policies with associated standards that address: consistency with adopted spheres of influence, need for and provision of services, consideration of General Plans, in-fill development and staged growth, promoting multi-purpose agencies, promoting logical boundaries, avoiding inclusion of areas solely due to financial desirability, the overall effects of the action, and agricultural land considerations.

Review of Municipal Services

As previously indicated, state law requires each LAFCO to prepare service reviews of all local governmental services starting in 2001. The purpose of these reviews is to identify opportunities to improve the quality, efficiency, or cost-effectiveness of local services. Contents of service reviews include:

- ☐ Growth and population projections for the affected area.
- ☐ Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- ☐ Financial ability of agencies to provide services.
- ☐ Status of, and opportunities for, shared facilities.
- ☐ Accountability for community service needs, including governmental structure and operational efficiencies.
- ☐ Any other matter related to effective or efficient service delivery, as required by commission policy

The Santa Cruz LAFCO completed its report in August 2005, and LAFCO approved the countywide service review in December 2007 (Resolution No. 2007-9). The review is a comprehensive overview of public services within Santa Cruz County and includes the four cities and over 80 special districts providing municipal-type services such as water, wastewater service, fire protection, police protection and recreation within the County (Dudek & Associates, June 2005). The findings related to water and wastewater are summarized below:

³ Originally adopted by the Santa Cruz LAFCO on March 14, 1964 (Resolution No. 14) with the last major revision on June 11, 1984 (Resolution No. 97-0).

CITY OF SANTA CRUZ WATER SUPPLY

- 1) **Population and Growth.** Three of the City's four main water sources are currently utilized at capacity for most of the year, and there is no additional water available from these sources to support future growth.
- 2) **Infrastructure Needs and Deficiencies.** Overall, the Santa Cruz Water System is operating at approximately 93% of capacity and has little to no redundancy, which requires that all components operate continuously during dry months. The City has identified seawater desalination as a feasible option for an alternative backup water supply. Infrastructure and facility needs are addressed through the City Water Department planning and budgeting process, and water infrastructure improvements, renovation and rehabilitation are included in the City's annual Capital Improvement Program.
- 3) **Financing Constraints and Opportunities.** The City of Santa Cruz operates its water utility as an enterprise activity; service charges and other revenues fully cover the cost of operations. The City has long-term debt associated with the water system and has taken on new debt to fund a water main project from the Bay Street Reservoir and for construction of the first phase of the North Coast rehabilitation project.
- 4) **Costs and Rates.** The City is controlling water costs through conservation programs and demand management measures as well as maximizing water supply from the North Coast area that requires less treatment. Water rates are reviewed annually, and the City has adopted a multi-tiered rate structure for residential accounts to promote water conservation.
- 5) **Management and Accountability.** The City of Santa Cruz is achieving management efficiencies. Water services are addressed by the Santa Cruz City Council during regular meetings. Public notice is provided for all meetings. Information on the Water Department and conservation programs are provided on the City's website. The City of Santa Cruz Water Commission serves in an advisory role to provide guidance to the City.

CITY OF SANTA CRUZ WASTEWATER SERVICE

- 1) **Population and Growth.** Growth will result in continued demand for wastewater services. The City's Sewer System Ordinance authorizes mandatory sewer connection and declares other means of sewage disposal to be a nuisance; any new development will require connection to the wastewater system.
- 2) **Infrastructure Needs and Deficiencies.** Wastewater systems are generally constructed with a design capacity that will meet the service area needs at build-out. The City

of Santa Cruz wastewater system includes a citywide collection system and a regional wastewater treatment facility that also serves the Santa Cruz County Sanitation District and County Service Area 57 (Graham Hill/Woods Cove).⁴ Infrastructure and facility needs are addressed through the City Department of Public Works planning and budgeting process. The City's Capital Improvement Program includes renovations to the wastewater collection system and the wastewater treatment facility. The Program is adopted annually and funded based on revenue and need.

- 3) **Financing Constraints and Opportunities.** The City of Santa Cruz operates its wastewater utility as an enterprise activity; service charges and other revenues fully cover the cost of operations. The City has long-term debt associated with the wastewater system. The City has restricted reserves to cover future bond payments as required by the terms of the agreements.
- 4) **Costs and Rates.** The City of Santa Cruz is controlling wastewater costs by actively monitoring and maintaining the collection and main lines through videotaped camera inspections. The Public Works Department has a program to identify and target sewer lines impacted by high stormwater infiltration and inflow. The City apportions the cost of operating the Santa Cruz Wastewater Treatment Facility with the Santa Cruz County Sanitation District based on flow volume. The City of Santa Cruz reviews wastewater rates annually. The City's wastewater rate structure for businesses is based on the constituents in the sewage and the level of treatment required; businesses generating sewage that requires more treatment pay higher rates.
- 5) **Management and Accountability.** Wastewater services provided by the cities are addressed by the respective City Councils during regular council meetings. The cities also provide information on their websites regarding wastewater services. As an additional measure of local accountability, the City of Santa Cruz Public Works Commission serves in an advisory role to provide guidance to the City Council on public works issues and capital improvement projects, including wastewater. The City of Santa Cruz is achieving management efficiencies for its wastewater systems through an organizational structure that includes two divisions: Wastewater Mains and Wastewater Treatment Facility.

⁴ CSA 10 (Rolling Woods) was approved to connect to the City's wastewater plant after the review study was completed.

CITY SPHERE OF INFLUENCE & SERVICE AREAS

SPHERE OF INFLUENCE

The existing Sphere of Influence for the City of Santa Cruz is shown on Figure 5. The SOI for the City of Santa Cruz includes lands within City limits, an unincorporated area along 7th Avenue and another unincorporated area in the Carbonera Creek vicinity. In January 2008, the Santa Cruz LAFCO approved a review that maintained the spheres of influence for numerous public agencies, including the City of Santa Cruz (Resolution No. 2008-1).

WATER SERVICE

The City of Santa Cruz Water Department provides water service to an approximate 30-square-mile area that includes lands within existing City limits, a portion of UCSC that is within City limits (and a small adjoining portion of UCSC outside City limits), adjoining unincorporated areas of Santa Cruz County (i.e., Live Oak), a small part of the City of Capitola and coastal agricultural lands outside City limits (City of Santa Cruz Water Department, February 2006). It should also be noted that the City's water service area covers a larger geographical area than the City's adopted Sphere of Influence.

In November 2006, LAFCO passed a resolution to grant the City of Santa Cruz "Areawide Approval" to provide water service to the areas outside the current city limits as shown on a water service area map submitted by the City and as amended by LAFCO (to exclude the northern portion of Chaminade). The service area includes properties that are currently provided water service or are within the City or County urban service areas (see Figure 6). The LAFCO action was taken pursuant to local regulations that were adopted by LAFCO in June 1994 (Resolution No. 97-W, amended through Resolution No. 2007-1 in February 2007) to implement Government Code section 56133. This section of the Government Code includes provisions for LAFCOs in each county to regulate the service areas of cities and special districts outside the boundaries of those agencies. The City of Santa Cruz applied to the LAFCO pursuant to Section V of the local regulations for authorization to provide water service to certain areas outside the City limits. This Areawide Approval will expire on November 1, 2016.

WASTEWATER SERVICE

The City of Santa Cruz provides municipal wastewater treatment and collection services to properties located in the City of Santa Cruz. The wastewater treatment plant serves as a regional facility that also serves areas outside the city as shown on Figure 7. These areas include the Santa Cruz Sanitation District and County Service Areas 10 and 57 (Rolling Woods and Graham Hill) as shown on Figures 8 and 9, respectively. Further discussion of wastewater treatment services is included in the WASTEWATER (Chapter 4.2) section of this EIR.

CITY & COUNTY POLICIES

County of Santa Cruz

GENERAL PLAN/LOCAL COASTAL PLAN

The Santa Cruz County 1994 General Plan/Local Coastal Plan (GP/LCP) outlines policies and programs to guide future growth and development. The project area is located in the Bonny Doon planning area (near its southeastern edge) and is designated “Public Facilities”. The objective of the Public Facility/Institutional land use designation is to ensure adequate present and future land availability for public and quasi-public facilities, including schools and university facilities (2.21). Policy 2.21.1 acknowledges the potential expansion of public facilities, but also limits development to fit into the context of existing environments. Policy 2.21.5 requires that long-term Master Plans be written for public facilities prior to new development or expansions, in part to coordinate with adjacent uses and to take into consideration potential impacts on neighboring development.

There are several other County GP/LCP policies potentially relevant to the proposed Sphere of Influence amendment and provision of extraterritorial water and sewer service to the North Campus area of UCSC. The County GP/LCP policies seek to cooperate with LAFCO and other agencies in working out inter-jurisdictional issues (1.2.1); support adherence to spheres of influence (1.2.2); and encourage the orderly annexation of urban areas to adjacent cities (1.2.4). The GP/LCP land use policies designate an “Urban Services Line” (USL) to delineate areas appropriate for future urban density and seek to program the timing and location of public service extensions to support projected levels of development (2.1.1) and seek to site new development within, adjacent to or in close proximity to existing developed areas with adequate public services and where it will not have significant adverse effects on natural resources (2.1.4).

City of Santa Cruz

GENERAL PLAN/LOCAL COASTAL PROGRAM

The City’s 1990-2005 General Plan/Local Coastal Program (GP/LCP) was adopted on October 27, 1992. The City is in the process of updating its General Plan. The existing City of Santa Cruz General Plan accounts for a student enrollment of 15,000 by the year 2005, and as previously indicated, the SOI project site is designated “UCSC Development”. The GP/LCP indicates that UCSC is a state institution with its own development plan and therefore, a distinctive land use designation is assigned to the portion of the campus within the City boundaries. A variety of academic, housing, and open space University land uses are outlined in this designation.

There are several other City GP/LCP policies potentially relevant to the proposed Sphere of Influence amendment and provision of extraterritorial water and sewer service to the North Campus area of UCSC as outlined below:

- ☐ Physically divide an established community;
- ☐ CD 1.2: Do not expand the City's Sphere of Influence other than annexing the balance of UCSC lands outside of the coastal zone (1.2.1) and consolidating the City limits in the Carbonera area (1.2.2).
- ☐ CD 1.3.4: Encourage continued preservation of significant portions of the UCSC campus in open space land uses.
- ☐ L 1.7: Ensure that future growth and development of Santa Cruz occurs consistent with the City's carrying capacity and that such growth does not lead to overdraft of any water source.
- ☐ L 4.1.3: Cooperate with UCSC to ensure that adequate services are paid for and provided as part of any expansion of the campus.
- ☐ CF 1.2.2: Update General Plan map as warranted by adoption of area specific and management plans and LRDP changes.
- ☐ CF 2.2: Coordinate with UCSC in implementation of education objectives in its LRDP.
- ☐ CF 6.5.1: Work with UCSC to develop a master plan for upgrades to University water pumping and storage facilities.

The City's existing General Plan/LCP also includes a summary of the UCSC 1989 LRDP in Volume II – "Area and Specific Plan Summaries." Policies are included to support the stated goal to "work with UCSC to minimize and mitigate the adverse effect of its growth on the community, while encouraging active cooperation on jointly beneficial project. Specific relevant policies include:

- ☐ 1.3: Expand services to UCSC contingent on the University's success in meeting its housing goal and mitigation measures.
- ☐ 1.7: Approve the expansion of services to UCSC only as required by law or as they mitigate impacts.

CITY ORDINANCES 2008-18 AND 2008-19

In November 2006, two measures on the local ballot were adopted by voters. Measure I was a proposed City ordinance to promote sustainable growth in the City of Santa Cruz by opposing the negative impacts of proposed University of California Santa Cruz (UCSC) growth. Measure J was the adoption of a charter amendment related to expansion of the City's water or sewer service area. In 2007, measures were overturned in court based on inadequacies in the notice and review procedural compliance for the environmental review prepared for the Measures. In October 2008, the Santa Cruz City Council adopted the following two ordinances

that are generally the same as the original measures and referred to as “Measures I and J” (these measures were not legally challenged, and the statute of limitations period in which to bring any challenge has passed):

- ❑ 2008-18: An ordinance adding Chapter 16.24 to the Santa Cruz Municipal Code pertaining to expansion of City water and sewer service areas. The ordinance requires that the City Council not initiate an expansion of the City’s water service area or sewer service area with LAFCO unless authorized to do so by the approval of a ballot measure to this effect for specified exceptions to protect public health, safety and welfare.
- ❑ 2008-19: An ordinance adding Chapter 16.22 to the Santa Cruz Municipal Code promoting sustainable growth in Santa Cruz by opposing the negative impacts of proposed University growth. This ordinance generally pertains to UCSC, and its purpose is to express community concerns regarding UCSC growth; to assure the City takes whatever actions are within its legal powers to avoid significant adverse effects of University growth, particularly on the housing market, traffic congestion and water supply; to assure that City services which facilitate University growth are provided only after the University pays the full costs of constructing and operating such services; and to confirm that the extension of public services outside the City limits will not be undertaken without approval of LAFCO. The ordinance lists three policies to prevent adverse impacts from University growth: a) opposition of the 2005 LRDP enrollment increase of 4,500 students unless all significant impacts are fully mitigated; b) no extension of City water and sewer services to the University beyond the existing City limits without approval of LAFCO; and c) the University shall pay the full costs of mitigating impacts, and the City shall not provide additional services until anticipated costs for providing these services are fully paid to the City.

RELEVANT PROJECT ELEMENTS

The proposed project consists of an amendment to the City of Santa Cruz Sphere of Influence (SOI) to include a 374-acre portion of the UCSC “North Campus” as shown on Figures 1 and 3 for the purpose of providing extraterritorial water and sewer services. The City agreed to submit an application to LAFCO to amend its SOI to include North Campus area east of Empire Grade concurrent with UCSC submitting its own application request to LAFCO for provision of extraterritorial water and sewer service to the North Campus for development of up to 3,175,000 gross square feet of building space in this area as set forth in the 2005 LRDP. At this time, there are no University-proposed site-specific development plans for the North Campus area or site-specific plans to extend infrastructure into this area. The 2005 LRDP includes conceptual plans to extend water and sewer lines to the project area primarily within a new planned roadway in the North Campus area. A schematic for utility line extension is

included in the UCSC's application to LAFCO for provision of extraterritorial services and is shown on Figure 13.

IMPACTS AND MITIGATION MEASURES

CRITERIA FOR DETERMINING SIGNIFICANCE

In accordance with CEQA, State CEQA Guidelines (including Appendix G), City of Santa Cruz plans and policies, and agency and professional standards, a project impact would be considered significant if the project would:

- ☐ Physically divide an established community;
- ☐ Conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project (including, but not limited to, a general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect; or
- ☐ Conflict with any applicable Habitat Conservation Plan or Natural Community Conservation Plan.

IMPACT ANALYSIS

The proposed project would extend the City's Sphere of Influence to include most of the North Campus area of UCSC. The area is contiguous to and part of the existing UCSC site and includes some existing campus housing. Thus, the expansion of the City's SOI and subsequent provision of water and sewer service to this area would not physically divide an established community. No lands outside the UCSC campus would be affected. There are no adopted Habitat Conservation or Community Conservation Plans in the project area.

Impact 3-1: The proposed project would not conflict with policies or regulations adopted for the purpose of avoiding or mitigating an environmental effect, and thus would not result in impacts related to consistency with local plans and policies.

The following discussion provides a review of consistency with local plans and policies. In accordance with State CEQA Guidelines, Appendix G, the review focuses on policies or regulations adopted for the purpose of avoiding or mitigating an environmental impact. There are no apparent conflicts between the proposed project and applicable plans, policies or regulations adopted for the purpose of avoiding or mitigating an environmental effect as discussed below.

Because the policy language found in any city or county general plan is often susceptible to varying interpretations, it is often difficult to determine, in a draft EIR, whether a proposed project is consistent or inconsistent with such policies. Case law interpreting the Planning and Zoning Law (Gov. Code, § 65000 et seq.) makes it clear that: (i) the ultimate meaning of such policies is to be determined by the elected city council, as opposed to city staff and EIR consultants, applicants, or members of the public; and (ii) the city council's interpretations of such policies will prevail if they are "reasonable," even though other reasonable interpretations are also possible (*See No Oil, Inc. v. City of Los Angeles* (1987) 196 Cal.App.3d 223, 245-246, 249.) Courts have also recognized that, because general plans often contain numerous policies emphasizing differing legislative goals, a development project may be "consistent" with a general plan, taken as a whole, even though the project appears to be inconsistent or arguably inconsistent with some policies (*Sequoia Hills Homeowners Association v. City of Oakland* (1993) 23 Cal.App.4th 704, 719.). Furthermore, courts strive to "reconcile" or "harmonize" seemingly disparate general plan policies to the extent reasonably possible. (*No Oil, supra*, 196 Cal.App.3d at p. 244.).

In light of these considerations, the review below represents the best attempt of City staff and consultants to advise the Santa Cruz City Council of their opinions as to whether the proposed project is consistent with identified goals and policies of the City and County General Plans and other relevant local plans/policies. The public should recognize that the opinions expressed below are in no way binding on the City Council, and may be contrary to the position ultimately adopted by the City Council in the exercise of its discretion.

City of Santa Cruz Policies and Regulations

GENERAL PLAN / LOCAL COASTAL PLAN

The proposed SOI amendment, provision of water and sewer services and future development of the North Campus by UCSC are consistent with the City's General Plan designation for the site – "UCSC Development," which would consider additional development in the area. Such development implements education objectives of the LRDP, which the City's General Plan supports (Policy CF2.2). The proposed project is consistent with the existing General Plan plan that supports expanding the City's Sphere of Influence and annexing UCSC lands (Policy CD1.2). Policy CF1.2.2 directs the City to update to the General Plan as the University's LRDP is updated (Policy CF1.2.2), which is not specifically relevant to the proposed project, but does provide a policy recognition to General Plan updates due to LRDP changes. The project further appears consistent with Policy CD1.3.4, which encourages open space preservation on the UCSC campus, in that about half or more of the SOI-North Campus area is designated for open space and resource protection uses in the 2005 LRDP.

The City also seeks to work with UCSC to develop a master plan for University water system upgrades (Policy CF6.5.1) and to work with UCSC to ensure that adequate services are paid for as part of any expansion to the campus (Policy L4.1.3). The provisions of the

Comprehensive Settlement Agreement set forth the details of the payments that the University will provide for such services, consistent with Policy L4.13. Policy CF6.5.1 is a directive to the City to work with UCSC in planning for water system upgrades. As indicated in the WATER SUPPLY (Chapter 4.1) section of this EIR, future extension of water lines would be implemented by UCSC as part of future development. Additionally, the University anticipates that future campus development likely would require improvements to the on-campus water infrastructure, including additional water storage capacity and a new booster pump in the North Campus area (University of California Santa Cruz, September 2006, 2005 LRDP Final EIR, Volume II). Policy L.1.7 seeks to ensure that future growth and development in Santa Cruz is consistent with the City's carrying capacity and that growth does not lead to overdraft of any water. Provision of water and sewer service is evaluated in this EIR regarding adequacy of supplies. As indicated, existing City water supplies are insufficient under existing and future conditions during a multiple-dry year drought, but wastewater service is adequate. The City's groundwater resources comprise a small amount of the overall supply, and are not in imminent threat of being overdrafted.

Volume II of the City's existing General Plan/LCP also includes a summary of the UCSC 1989 LRDP with policies are included to support the stated goal to "work with UCSC to minimize and mitigate the adverse effect of its growth on the community, while encouraging active cooperation on jointly beneficial project. The proposed project is in support of UCSC's on-campus housing goals, consistent with Policy 1.3 that seeks to expand City services to UCSC contingent on the University's success in meeting its housing goals. Policy 1.7 calls for expansion of services to UCSC only as required by law or as they mitigate impacts. Several measures are specified related to water, wastewater and traffic improvements, which appear to have been implemented by "University Assistance Measures" proposed by the University at the time the 1989 LRDP was adopted. Some of these measures are superseded by provisions of the Comprehensive Settlement Agreement, that is a final stipulated judgment of the Court.

CITY ORDINANCES 2008-18 AND 2008-19

Project consistency with Ordinances 2008-18 and 2008-19 was reviewed by the City Attorney. The City Attorney believes that the City's SOI application to LAFCO is not in conflict with these adopted ordinances, as the ordinances were not in effect when the application to LAFCO was filed. They were finally adopted on October 28, 2008 and did not go into effect until November 27, 2008. The ordinances are not retroactive and hence have no application to the two subject LAFCO applications, which were filed with LAFCO in October 2008.

The City, as lead agency, has prepared this EIR in connection with the application the University has submitted to LAFCO for extraterritorial sewer and water service from the City to an area in the UCSC North Campus planning area outside City limits and City water/sewer area boundaries, as well as a concurrent application filed by the City with LAFCO to amend the City's sphere of influence so as to facilitate the University's LAFCO application. Neither application, if granted, would serve to annex new territory to either of the City's two service

areas or otherwise function to alter the boundaries of those two service areas as they currently exist.

More importantly, for substantive reasons as well, there is no conflict. The ordinances, which have primary application to the University, were adopted by the City Council in late October 2008 and must be viewed in the context of the Comprehensive Settlement Agreement between the University and the City, which the City Council approved less than one month earlier, in September 2008. That agreement requires the University to file the subject LAFCO application for extraterritorial service (Section 2.8) and the City to file the subject LAFCO sphere of influence amendment application (Section 2.8a). The City and County are required to provide all documentation necessary to allow for LAFCO's processing of the University's application (Section 2.8c). Similarly, each party to the Agreement, including the University, the City, the County and CLUE, is required to cooperate with one another and take all actions "...which may be necessary or appropriate to give full force and effect to the terms and to fully implement the goals and intent of this Agreement" (Section 9.0). Most significantly, Section 7.4 of the Comprehensive Settlement Agreement provides,

The parties agree that the purpose and intent of Measures I and J, as adopted by the City in November 2006, will be satisfied and fulfilled upon finalization of this fully executed settlement agreement for development consistent with the 2005 LRDP. The parties further agree that any additional action to effectuate the intent and purpose of Measures I and J is unnecessary provided that the parties fulfill their commitments under this Agreement.

Hence the City could not have subsequently adopted ordinances which expressly or implicitly interfered with the University's ability to comply with its obligations under the Agreement or which prohibited the City itself from taking the actions it promised to take pursuant to the Agreement unless the City was willing to breach the Agreement, expose itself to liability for doing so and in the process lose all of the benefits that the Agreement conferred upon the City.

In adopting the "Measure I and J" ordinances in October, the City did not breach the Agreement or impose requirements upon itself requiring it to breach the Agreement in the future. The "Measure I" ordinance (Ordinance No. 2008-17) requires the University to fully mitigate the impact of its UCSC campus growth and expansion as a precondition to the City's provision of municipal services to accommodate that growth and expansion. As explained above, the Comprehensive Settlement Agreement, arduously negotiated by the City, County, University and CLUE over a period of eight months, delineates precisely the housing, traffic, water and other mitigation measures the University will implement and adhere to so as to assure full mitigation of its growth-induced impacts.

The “Measure J” ordinance (Ordinance No. 2008-18), in pertinent part, provides that “... the City Council shall not initiate an expansion of the City’s water service area or sewer service area with the State of California Local Agency Formation Commission unless authorized to do so by the approval of a ballot measure to this effect by City voters at a general or special municipal election.” As explained above, the University, in compliance with its contractual settlement agreement obligation, has initiated the subject LAFCO proceeding, not the City. However, even if one were to argue that the City, by submitting the Sphere of Influence amendment application necessary to allow for LAFCO’s processing of the University’s application, is an “application initiator”, the City’s application still does not run afoul of the ordinance. The ordinance applies to applications which would serve to expand the City’s water or sewer service areas. Such an expansion is accomplished through an annexation procedure before LAFCO pursuant to which LAFCO approves new service area boundaries, typically illustrated by a map depicting the boundaries of the current service area compared to the boundaries of the proposed expanded service area. In this instance the University is not requesting that its North Campus planning area be annexed to the City’s water and sewer service areas. It is requesting that although this planning area is outside those service areas, it be allowed to receive “extraterritorial” sewer and water service from the City for development undertaken in that area which is contemplated by its 2005 LRDP (and the Comprehensive Settlement Agreement). Such extraterritorial service is authorized by statute with LAFCO’s approval. (See Government Code, § 56133.)

County of Santa Cruz Policies

The proposed SOI amendment, provision of water and sewer services and future development of the North Campus by UCSC are consistent with the County’s General Plan designation for the site –“Public Facilities” – as it meets the objective of the designation to ensure adequate present and future land availability for university facilities (Policy 2.21). Although Policy 2.21.1 acknowledges the potential expansion of public facilities, it seeks to limit development to fit into the context of existing environments. In that the proposed project is intended to serve an existing university with additional development contiguous to existing development, the project appears consistent with this policy. Policy 2.21.5 requires that long-term Master Plans be written for public facilities prior to new development or expansions, and the 2005 LRDP does this. Policy 1.2.1 also seeks to cooperate with LAFCO and other agencies in working out inter-jurisdictional issues (1.2.1). Policies 1.2.2 and 1.2.4 support adherence to spheres of influence and orderly annexation of urban areas to adjacent cities. LAFCO will consider the proposed sphere of influence amendment according to its review standards. While annexation is not proposed, the proposed provision of extraterritorial water and sewer services to the proposed SOI amendment could be considered an orderly extension of services as the UCSC campus is already served by the City of Santa Cruz, and its developed area is located mostly within city limits. The project area and future development would be adjacent to or in close proximity to existing developed, consistent with Policy 2.1.4. As discussed in this EIR, water supplies are currently constrained during drought conditions, but wastewater services are adequate. Future development in the North Campus area as a result of the project

could have significant impacts on some natural resources, but can be mitigated. With mitigation, secondary impacts of development resulting from indirect growth impacts of the proposed project would be consistent with the intent of Policy 2.1.4 that siting new development does not result in significant adverse effects on natural resources. (See the GROWTH INDUCEMENT (Chapter 5.0) section of this EIR. Thus, there do not appear to be any significant inconsistencies or conflicts between the proposed project and the County's existing General Plan/Local Coastal Program.

LAFCO Policies

The Santa Cruz LAFCO will review and analyze the proposed SOI amendment request and request for extraterritorial water and sewer service during its deliberation of the applications. The review will look at the proposed project in the context of the Coretese-Know-Hertzberg Local Government Reorganization Act of 2000, LAFCO's adopted "Sphere of Influence Policies and Guidelines" and LAFCO's "Standards for Evaluating Proposals".

LAFCO staff and Commissioners will appropriately review the project information and EIR to make a determination on the submitted applications. The policies and guidelines serve to guide their review of certain topical areas, rather than providing specific policies against which a project consistency review could be made. LAFCO is a responsible agency that will make its own independent review and analysis on the matter.

However, the following project features are identified as related to some of LAFCO's standards and guidelines.

- ☐ The project area is contiguous to existing City limits and existing water service area that are located adjacent to and south and east of the SOI project area. A small portion of the project area already is provided City water and sewer services.
- ☐ The proposed project supports planned growth set forth in the UCSC 2005 LRDP, and is consistent with City and County General Plan designations that also support university uses.
- ☐ The UCSC campus is a single entity and is located mostly within City limits.
- ☐ There would be no conversion of or impacts to agricultural lands with future development in the North Campus area.

Conclusion

Based on the review above, the proposed project does not appear conflict or be inconsistent with the existing City or County General Plan/Local Coastal Program policies. Additionally, it was determined that the proposed project does not conflict with City Ordinances 2008-18 and 2008-19.

Mitigation Measures

None are required.