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January 14, 2010

Mr. Ken Thomas
City of Santa Cruz
Planning and Community Development Department
809 Center Street, Room 107
Santa Cruz, CA 95060

Subject: Draft Environmental Impact Report, City of Santa Sphere of Influence
Amendment and Provision of Extraterritorial Water & Sewer Service
State Clearinghouse #2008102108

Dear Mr. Thomas:

Thank you for providing Santa Cruz LAFCO with the opportunity to comment on the Draft Environmental Impact Report (DEIR) for the City of Santa Cruz Sphere of Influence Amendment (To Include Part of the UCSC North Campus) and Provision of Extraterritorial Water & Sewer Service (To Part of the UCSC North Campus). I am forwarding LAFCO's comments.

In general, the DEIR is an informative document that will be helpful to LAFCO when it reviews two pending applications:

- LAFCO Application No. 928, filed by the City of Santa Cruz to expand its Sphere of Influence to include approximately 374 acres designated as the "North Campus", and
- LAFCO Application No. 929, filed by the University of California, authorizing the City of Santa Cruz to provide water and sanitary sewer services outside its city limits to parts of the UCSC North Campus.

LAFCO offers the following comments to improve the clarity of the document and to assure that a range of alternatives and mitigations are included in the Final Environmental Impact Report. LAFCO's comments will build upon the comments it submitted in its December 1, 2008 letter responding to the City's Notice of Preparation. LAFCO's first four comments revisit and expand upon comments from the December 1, 2008 letter.

1. 1. Annexation of existing residential halls

The County Elections Office reports that the City boundary bisects student residential buildings at the northern tips of the Crown/Merrill Apartments and College 9. This requires extra work for the Elections Office to split each residential complex into different voting precincts. It also inconveniences the voters who are separated from the rest of the UC precincts. The draft EIR should identify and evaluate one alternative of

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annexing the existing residential buildings. LAFCO does not know of any environmental issues associated with this alternative. (Also see Comment 5, which raises the potential for annexing the entire development footprint of the North Campus).

2 2. Drought mitigations

As recognized in the Notice of Preparation and throughout the DEIR, the City of Santa Cruz has a water supply problem during droughts. The DEIR includes a Water Supply Assessment and discusses water supply impacts in Chapter 4.1. LAFCO requests that the FEIR assess two or more potential additional mitigations: one concerning a limit on enrollment growth during any period of water connection moratorium, and one or more mitigations that would prevent increases in off-campus water demand generated by UCSC growth.

3 3. Coolidge Drive

Coolidge Drive, the road that runs from the main entrance on High Street up the east side of the campus is currently a County-maintained road. Since Coolidge Drive solely serves the University, and almost all of the drive is located beyond the UCSC guard station, another potential alternative to consider is that the University take over maintenance of Coolidge Drive.

4 4. Forest loss

The DEIR discusses forest resources on pages 5-31 and 5-32 and identifies removal of 73 acres of forest as one of the outcomes of City services being extended to the North Campus and the LRDP being implemented. Citing the amount of forested land in the Santa Cruz Mountains and the State of California, the DEIR concludes that the conversion of 73 acres of forest at UCSC would not have a significant impact. The FEIR should reconsider this determination and identify forest conversion as a significant impact.

5 5. North Campus annexation

The FEIR should contain an alternative examining the environmental issues for the development footprint (DEIR page 8-18) of the North Campus to be annexed rather than provided with two City services--water and sewer. Santa Cruz LAFCO's extraterritorial service policies, as amended through LAFCO Resolution No. 2007-1, prefer that agency services be expanded by annexation rather than extraterritorial services from an agency. There are limited exceptions to this preference as stated in Santa Cruz LAFCO's policy:

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"The [State LAFCO act] and this Commission's adopted policies to implement that act stress the primacy of spheres of influence in coordinating services and protecting resources. Therefore, the Commission intends to reinforce that the standard manner in which services will be extended is 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 [State LAFCO act]."

LAFCO requests that an alternative of annexing the North Campus development footprint (as shown on Figure 18 on page 8-18) be included in the Final EIR. LAFCO is not aware of any environmental issue associated with this alternative that is not already analyzed in the DEIR. LAFCO staff is available to consult with the City's environmental consultant concerning adding this alternative into the EIR.

LAFCO understands the context in which the University is applying for extra-territorial water and sewer services. LAFCO's request to include this alternative is made to assure that the FEIR will be complete and usable by LAFCO. During LAFCO's public hearings, LAFCO will be open-minded to the University's, the City's, and the community's inputs regarding application of LAFCO's policies to the question of new development areas on the campus being served by annexation or extraterritorial services.

6 6. Factors in LAFCO law

On page 4.3-6, the DEIR lists the factors that state law requires each LAFCO to consider when reviewing an annexation or other change of municipal boundaries. LAFCO offers two clarifications. (1) These factors apply to annexations--not to sphere amendments or extraterritorial service authorizations. (2) Effective January 1, 2010, Senate Bill 215 (Chapter 570 of the Statutes of 2009) adds adopted regional transportation plans to the factors that LAFCO must consider.

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7 7. Clarification of Estimated Water Use

On page 4.1-32 and elsewhere in the DEIR, the water demand figures for incremental new UCSC growth through 2020 are significantly less (100 vs. 152 million gallons per year) than the figure contained in the University's LAFCO Application No. 929 for extraterritorial services. Please clarify.

8 8. Housing forecast

On page 5.15, Table 3-5 apparently has some incorrect figures for the number of housing units AMBAG forecasts for the City of Santa Cruz in 2025 and 2030.

9 9. Modified Sphere of Influence Amendment Area

LAFCO concurs that, for the purpose of CEQA compliance, Alternative 2, the Modified Sphere of Influence Amendment Area, as discussed on pages 6-36 and 6-37 and as mapped on page 8-18, is the environmentally superior alternative. It proposes a smaller sphere amendment by excluding the campus "Protected Landscape" around the west, north, and east margins of the North Campus. Alternative 2 would add to the City's sphere all lands planned for development in the 2005 Long Range Development Plan.

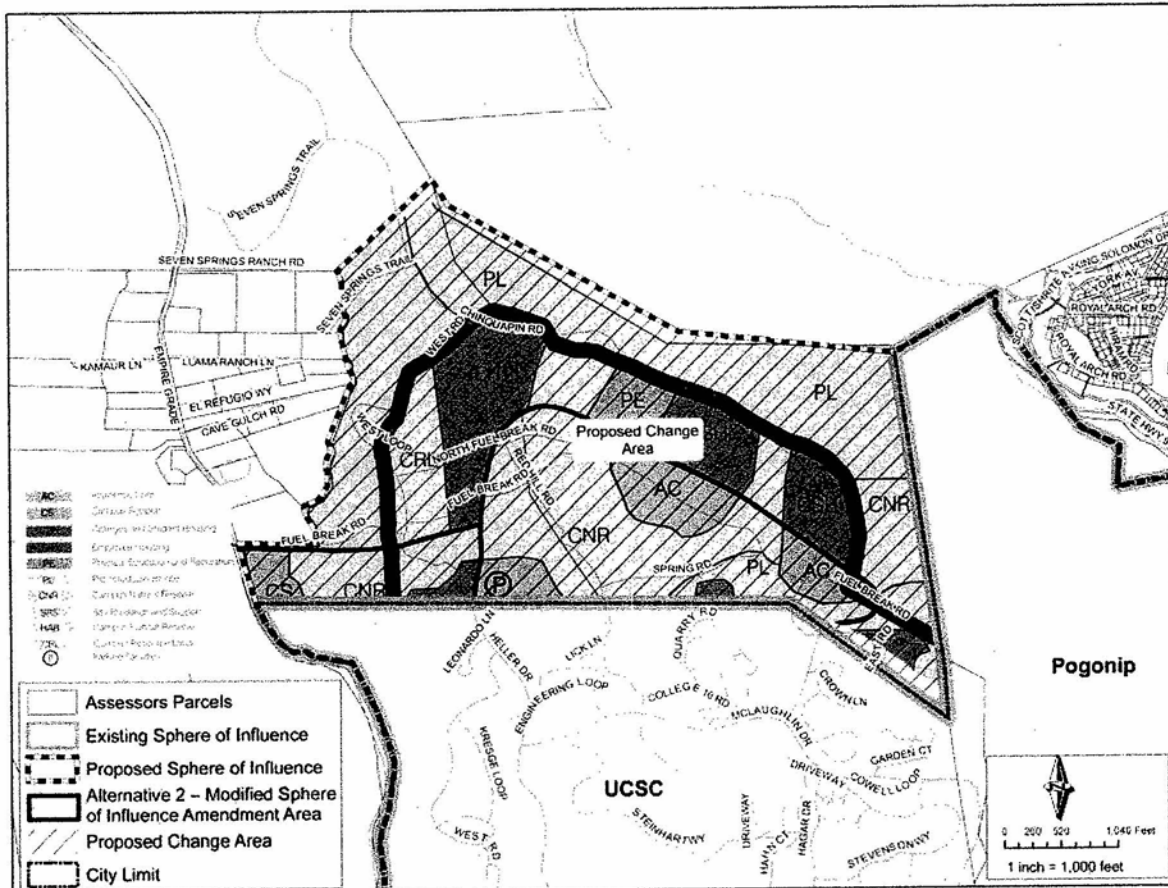
Thank you for the opportunity to review the Draft Environmental Impact Report. Please contact LAFCO staff at 454-2055 or pat@santacruzlafco.org if you have any questions about LAFCO's comments.

Very truly yours,



Patrick M. McCormick
Executive Officer
Santa Cruz LAFCO

cc: Richard Wilson, Santa Cruz City Manager
Thomas Vani, UCSC Chancellor's Office
Carole Rossi, UCSC Chancellor's Office

FIGURE 18: Alternative 2: Modified Sphere of**Influence Amendment Area**

LETTER RA1 – SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION (LAFCO)

RA-1-1 Annexation of Existing Development in Project Area. The comment requests that the EIR identify and evaluate an alternative to annex the existing UCSC student residential buildings (portions of 12 buildings) that cover 6 acres within the 374-acre project area and house approximately 398 students (see page 4.3-2 of the DEIR). As indicated on pages 6-26 and 6-27 of the Draft EIR, according to the State CEQA Guidelines (section 15126.6), an EIR shall describe a range of reasonable alternatives to the project or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project. The suggested alternative does not meet CEQA Guidelines' definition of a reasonable alternative, as it does not reduce or eliminate significant impacts nor would it meet the project objectives as summarized on pages 6-28 and 6-29 of the DEIR. (See the "Project Description" subsection of the CHANGES TO DRAFT EIR (Chapter 3.0) section of this document for further clarification of project objectives.) The commenter does not suggest which, if any, of the project's significant impacts could be reduced or avoided through this alternative. The City does not believe that any impacts would be affected just by annexing the subject property instead of approving the applications for the proposed sphere of influence amendment and extension of the extraterritorial service boundaries that comprise the proposed project. Additionally, this existing developed area is already provided City water and wastewater services. Annexation to a city or special district can be initiated by the property owner, the city or petition by 25% of the voters in the area. As the property owner, UCSC could apply for annexation. UCSC also has indicated that it is not opposed to annexation of the referenced area to resolve the voter precinct issue raised by the County should the City wish to initiate annexation in the future (see Comment SA-4b-1). See also Response to Comment RA-1-5 regarding annexation.

RA-1-2 Water Mitigation Measures. The comment requests that two additional water mitigation measures be considered: 1) limitation of campus enrollment during any period of water connection moratorium; and 2) preventing increases in off-campus water demand generated by UCSC growth. The DEIR (page 4.1-41) indicates that the University's implementation of the nine mitigation measures adopted by The Regents of the University of California in approving the 2005 LRDP, which are binding as part of the University's adopted Mitigation Monitoring and Reporting Program (MMRP), would reduce the severity of the impact. Additionally, the implementation of the Comprehensive Settlement Agreement includes several additional provisions regarding UCSC water demand that are summarized in Mitigation Measures 1-1 and 1-2 in the DEIR. Provisions of the Settlement Agreement are also binding and enforceable through judicial enforcement of the

final judgment. Specifically, section 3.2 of the Settlement Agreement requires UCSC to not increase its water use at any of its facilities (including off-campus facilities) if the City establishes a service area-wide moratorium on new connections because of a water shortage and to comply with any service area-wide restrictions or mandatory curtailment imposed by the City in response to a water shortage emergency.

Thus, the Settlement Agreement provisions, as summarized in Mitigation Measure 1-1 serve the purpose to reduce UCSC water demand at all of its facilities. The commenter's suggested limitation on enrollment appears unnecessary in light of these provisions. The University has indicated that limitations on enrollment would be impractical and legally infeasible as enrollment planning is undertaken six months prior to the start of a new term, an offer of enrollment cannot be rescinded, and enrollment/graduation rates fluctuate. The timing of enrollment planning also may not correspond to the timing of a City-declared water demand emergency, restrictions or curtailment. (See Comment SA-4b-2.) If there is a water demand emergency, a water shortage is declared by March 1st, is usually implemented by May 1st, and continues through the end of October for a given year. For these reasons, the suggested mitigation measures are considered infeasible.

RA-1-3 Coolidge Drive. The comment requests that the EIR evaluate an alternative in which UCSC takes over maintenance of Coolidge Drive, which is currently a county-maintained road. This road is within the existing developed campus area that is within the Santa Cruz city limits and outside the proposed project area. As indicated in Response to Comment RA-1-1, an EIR must consider alternatives that avoid or substantially reduce significant impacts while feasibly attaining most of the basic project objectives. This suggested alternative does not do either, and is not related to the proposed project or project area. However, as indicated in Comment SA-4b-3, UCSC has discussed maintenance responsibilities of this roadway with the County and City in the past and remains willing to engage in further discussions with the County.

RA-1-4 Forest Loss. See Master Response GI-2 – Forest Resources.

RA-1-5 Alternatives – Annexation. LAFCO requests that the Final EIR include an alternative examining the environmental issues associated with annexation of the North Campus to the City of Santa Cruz rather than the proposed extraterritorial provision of water and sewer services. Although the City believes that annexation is a policy issue that is not linked to any environmental impacts associated with the project, and thus, does not meet the criteria set forth in State CEQA Guidelines section 15126.6 for alternatives to be considered under CEQA, the requested alternative nonetheless has been provided as a courtesy to LAFCO. See the "CEQA Considerations" subsection of the CHANGES TO DRAFT EIR (Chapter 3.0) section of this document.

- RA-1-6 LAFCO Factors for Review. The DEIR text has been clarified to indicate that the referenced factors that LAFCO considers with a proposal relates to annexation (and other boundary changes) pursuant to state law. See the “Land Use” subsection of the CHANGES TO DRAFT EIR (Chapter 3.0) section of this document.
- RA-1-7 Project Water Demand. See Master Response WS-2 – Project Water Demand regarding estimated project water demand. The University has indicated that the DEIR accurately reflects the estimated project water demand, and UCSC will correct or file an amendment to its LAFCO application to reflect a projected water demand of 100 MGY (See Comment SA-4b-6.)
- RA-1-8 DEIR Text Correction. The typographical errors for housing in Table 3-5 have been corrected. See CHANGES TO DRAFT EIR (Chapter 3.0) section of this document.
- RA-1-9 Alternative 2. Comment concurs that Alternative 2 – “Modified Sphere of Influence Amendment Area” is the environmentally superior alternative for the purposes of CEQA, and is so noted. In response to Comment SA-4a-3, the modified sphere boundary was slightly modified as discussed in Response to Comment SA-4a-3.