

COUNTY OF SAN DIEGO

GREG COX First District

DIANNE JACOB Second District

PAM SLATER-PRICE

RON ROBERTS

BILL HORN

PLANNING REPORT

DATE: August 4, 2010

01

TO: Board of Supervisors

SUBJECT: GENERAL PLAN AMENDMENT (GPA) 10-002: ITEM A: TIERED

WINERY ORDINANCE; GPA 10-003, POD 08-012 (DISTRICT ALL); ITEM B: DENSITY BONUS, GPA 09-003, POD 08-002 (DISTRICT: ALL) AND ITEM C: MONTECITO RANCH, GPA 04-013, SP 01-001, R 04-022, VTM 5250 RPL⁶, P 04-045, P 09-023, S 08-019, ER 01-09-013, RAMONA

COMMUNITY PLAN AREA (DISTRICT: 2)

SUMMARY:

Overview

This is a proposal to amend the San Diego County General Plan Regional Land Use Element and Circulation Element. It represents the second such amendment of the Regional Land Use Element and first such amendment of the Circulation Element to be considered by the Board of Supervisors in 2010. This General Plan Amendment consists of the following three items:

Item A: Tiered Winery Ordinance – This action consists of amendments to the County of San Diego General Plan and to the County Zoning Ordinance to comprehensively address regulations in A70 and A72 zones for various sized wineries, including winery uses by right. The project introduces a new winery classification "Packing and Processing: Small Winery" that would be allowed subject to limitations and with an approved Administrative Permit and revises the existing regulations to increase the by right wine production for "Packing and Processing: Wholesale Limited Winery" and to allow the "Packing and Processing: Boutique Winery" Use Type by right, subject to specified standards and limitations.

Item B: Density Bonus – Amendments are proposed to the San Diego County General Plan and Zoning Ordinance to bring them up to date with the State density bonus provisions in Government Code Section 65915 et seq., to reorganize and simplify existing density bonus programs, and to implement Housing Element programs. The amendments are needed because there have been recent changes to California State density bonus law that supersede any local ordinance or regulation. The inconsistencies between local regulations and State provisions have caused confusion regarding the application of the State's superseding requirements to local density bonus projects.

Item C: Montecito Ranch – The Montecito Ranch project has been designed as a residential master planned community on a 935.2-acre site that consists of 417 single family residences (ranging in size from 20,000 square feet to 1.8-acres), an 8.3-acre active park, and an 11.9-acre historic park. It also includes designated biological open space of 576.2 acres, if the project connects to the Ramona Municipal Water District, or 551.5 acres, if the project relies on a stand alone wastewater reclamation facility. Multi-use trails would be provided within the open space areas and along the project's roadways. The project is located one mile northwest of the Ramona Town Center, south of State Route 78 and west of Ash Street in the unincorporated community of Ramona (Thomas Guide Page 1152).

The project application includes a request for a General Plan Amendment, a Specific Plan Amendment, a Rezone, two Major Use Permits (Major Use Permit 04-045 would provide detailed development standards and Major Use Permit 09-023 would be required to implement the wastewater reclamation facility) and a Vesting Tentative Map/Site Plan.

Recommendation(s)

PLANNING COMMISSION

The Planning Commission recommends that the Board of Supervisors take the following actions:

- 1. Adopt the resolution entitled Resolution of the San Diego County Board of Supervisors Adopting General Plan Amendment (GPA) 10-002, as it applies to Item B (Density Bonus Ordinance) and Item C (Montecito Ranch). The resolution adopts amendments to the Ramona Community Plan, Regional Land Use Element and Circulation Element of the General Plan for the reasons stated therein and discussed in this report (Attachment 1, Exhibits B and C).
- 2. Deny GPA 10-002 as it applies to Item A (Tiered Winery Ordinance) and amendments to the Regional Land Use Element Policy 2 (Attachment 1, Exhibit A).

Item A: Tiered Winery Ordinance

- 3. Adopt the required California Environmental Quality Act (CEQA) findings for this project, for the reasons stated therein and discussed in this report. (Attachment A-3)
- 4. Adopt the attached Form of Ordinance (Attachment A-1):

AN ORDINANCE AMENDING THE ZONING ORDINANCE TO

AMEND EXISTING AND INTRODUCE NEW WINERY PACKING AND PROCESSING USE TYPES, REF. POD 08-012

Item B: Density Bonus

- 5. Find that the General Plan Amendment of Regional Land Use Policy 3.6 and the proposed Zoning Ordinance Amendment, with the exception of the County Affordable Senior Housing Program, are not subject to CEQA review pursuant to CEQA Guidelines Section 15060 (c)(1). (Attachment B-5)
- 6. Find that the County Affordable Senior Housing Program of the proposed Zoning Ordinance amendment, the repeal of Regional Land Use Element Policy 3.8, and the repeal of Board Policies I-79 (Housing Affordable to Elderly Households) and I-102 (Guidelines for Meeting the Socio-economic Benefit Provisions of Regional Land Use Element Policy 3.8) are exempt from CEQA under CEQA Guidelines Section 15061(b)(3). (Attachment B-5)
- 7. Adopt the attached Form of Ordinance. (Attachment B-2):

AN ORDINANCE AMENDING THE ZONING ORDINANCE RELATED TO DENSITY BONUSES AS AN INCENTIVE TO PROVIDE AFFORDABLE HOUSING, REF: POD 08-002.

8. Repeal Board Policy I-79 and Board Policy I-102. (Attachment B-4)

Item C: Montecito Ranch

- 9. Adopt the required CEQA Findings for this project, for the reasons stated therein and discussed in this report. (Attachment C-4)
- 10. Adopt the attached Form of Ordinance. (Attachment C-2)

AN ORDINANCE CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE RAMONA COMMUNITY PLAN AREA, REF. R04-022.

- 11. Adopt the resolution entitled Resolution of the San Diego County Board of Supervisors Approving Specific Plan SP 01-001 Montecito Ranch Specific Plan. This resolution makes the required findings and imposes those requirements and conditions of approval necessary to ensure that the project is implemented in a manner consistent with State law. (Attachment C-2)
- 12. Adopt the resolution entitled Resolution of San Diego County Board of

Supervisors Approving Condition for Vesting Tentative Map No. 3100 5250 RPL6 (VTM). This resolution makes the required findings and imposes the requirements and conditions of approval necessary to ensure that the project is implemented in a manner consistent with the County of San Diego Subdivision Ordinance and State Law. (Attachment C-2)

- 13. Approve Site Plan S08-019, which makes the findings and imposes the requirements and conditions as set forth in the Form of Decision. (Attachment C-2)
- 14. Approve Major Use Permit P04-045, which makes the findings and imposes the requirements and conditions as set forth in the Form of Decision. (Attachment C-2)
- 15. Approve Major Use Permit P09-023, which makes the findings and imposes the requirements and conditions as set forth in the Form of Decision. (Attachment C-2)

DEPARTMENT OF PLANNING AND LAND USE

The Department recommends adoption of the resolution entitled Resolution of the San Diego County Board of Supervisors Adopting General Plan Amendment (GPA) 10-002.

Item A: Tiered Winery Ordinance

The Department concurs with the Commission's recommendations, with the exception of Item A: GPA 10-002, as it applies to the amendments to the Regional Land Use Element Policy 2. On June 25, 2010, a motion by the Planning Commission to recommend approval of the related GPA failed (3 ayes – 2 noes - 0 with two members absent). Under Planning Commission Policy Number PC-2, the failure of the motion to receive four votes is deemed to be a recommendation by the Planning Commission that the GPA be disapproved.

Item B: Density Bonus

The Department concurs with the Commission's recommendations.

Item C: Montecito Ranch

The Department concurs with the Commission's recommendations with the exception of Item C: Major Use Permit P09-023. (See Attachment C-1: Additional Information Sheet for more detail).

As more fully explained below, the Department supports the approval of Montecito Ranch but recommends denial of Major Use Permit 09-023 because a stand alone wastewater treatment facility is not consistent with the regional basin planning of the Ramona Municipal Water District (RMWD) and because staff has concluded the facility is potentially inconsistent with the Public Facility Element of the General Plan, the Montecito Ranch Specific Plan chapter of the Ramona Community Plan, and the goals and policies of the San Diego Local Agency Formation Commission (LAFCO) that discourage the duplication of municipal services. If Major Use Permit 09-023 is denied, sewer service for the project can be provided by the RMWD.

Fiscal Impact

Item A: Tiered Winery Ordinance. N/A

Item B: Density Bonus. N/A

Item C: Montecito Ranch. N/A

Business Impact Statement

Item A: The proposed project will benefit San Diego County by promoting the County as a wine producing region and supporting economic growth of visitor serving businesses such as restaurants, cafes and lodging facilities. While the proposed project is not expected to directly generate a significant number of new winery jobs, some new tourist related job opportunities would be expected as San Diego County becomes recognized as a wine producing area. Therefore, the proposed project will benefit the County by encouraging tourism and creating greater local employment opportunities.

Item B: N/A

Item C: N/A

Advisory Board Statement

Item A: Tiered Winery Ordinance. The Tiered Winery Ordinance Amendment was distributed to all Community Planning and Sponsor Groups as part of the Draft Environmental Impact Report (EIR) 45-day public review (July 16, 2009-August 31, 2009). Comment letters and responses are provided in the Draft EIR (Attachment A-3).

Item B: Density Bonus. The Department of Planning and Land Use Industry Advisory Group was notified and no objections were submitted.

Item C: Montecito Ranch

On December 3, 2009 the Ramona Planning Group voted 9 Ayes - 4 Noes - 1 Abstained - 1 Absent to recommend Approval and to Send Comments.

On December 1, 2009 the Ramona Trails and Transportation Subcommittee voted unanimously to approve the project.

See Attachment C-6, Public Documentation, for the Planning Group Minutes and the Ramona Trails and Transportation Subcommittee Minutes.

Involved Parties

Item A: Tiered Winery Ordinance

County of San Diego

Item B: Density Bonus

County of San Diego

Item C: Montecito Ranch

Montecito Ranch Properties, LLC See Ownership Disclosure in Attachment C-7 Application Date: April 17, 2001

Planning Commission Vote

Item A: Tiered Winery Ordinance

On April 30, 2010, the Planning Commission voted 5-2 to approve the Tiered Winery Ordinance Amendment. (Ayes: Norby, Woods, Brooks, Pallinger, Day; Noes: Beck, Riess). (See Attachment A-4). On June 25, 2010, a motion by the Planning Commission to recommend approval of the related GPA 10-002, as it applies to amendments to the Regional Land Use Element Policy 2, failed 3-2-0 with two members absent. (Ayes: Norby, Brooks, Pallinger; Noes: Beck, Riess; Absent: Woods, Day) Under Planning Commission Policy Number PC-2, the failure of the motion to receive four votes is deemed to be a recommendation by the Planning Commission that GPA 10-002 be disapproved as it applies to amendments to the Regional Land Use Element Policy 2.

Item B: Density Bonus

On April 30, 2010, the Planning Commission voted 7-0 to approve the Density Bonus Ordinance. (Ayes: Beck, Norby, Riess, Woods, Brooks, Pallinger, and Day) (See Attachment B-9)

Item C: Montecito Ranch

On April 2, 2010, the Planning Commission voted 6-0-1 to approve the Montecito

Ranch project. (Ayes: Brooks, Day, Norby, Pallinger, Riess, Woods; Abstain: Beck) (See Attachment C-5)

BACKGROUND:

Since State law provides for a maximum of four amendments to each mandatory Element of the General Plan per year, the Department of Planning and Land Use (DPLU) batches General Plan Amendments (GPAs). This is the second proposed amendment to the Regional Land Use Element in 2010 and the first proposed amendment to the Circulation Element in 2010. It consists of two County-initiated projects, the Tiered Winery Ordinance and the Density Bonus Ordinance, and one privately initiated project, Montecito Ranch.

Item A: Tiered Winery Ordinance:

On May 14, 2008 (19), the Board of Supervisors adopted urgency Ordinance No. 9938, repealing the April 23, 2008 (1) approval of a "By-Right" Boutique Winery Zoning Ordinance Amendment. That Ordinance had proposed to allow Boutique Wineries as a "by right" use subject to limitations within the Zoning Ordinance. On June 18, 2008 (5) the Board directed staff to develop tiered regulations that more comprehensively address various sized wineries, including winery uses by right, and directed the preparation of an Environmental Impact Report (EIR).

The draft EIR prepared for the ordinance identifies significant and unavoidable environmental impacts in seven issue areas. Currently, the General Plan does not allow any development other than a single-family home on an existing lot in the (18) Multiple Rural Use and (24) Impact Sensitive Land Use Designations when significant environmental impacts have been identified. The proposed action includes an amendment to the General Plan to exempt the Tiered Winery Zoning Ordinance Amendment from provisions of the (18) Multiple Rural Use and (24) Impact Sensitive Land Use Designations.

The project also proposes amendments to the Zoning Ordinance, as described below, for each of the winery use types:

Wholesale Limited (Existing classification)

- Increase allowed production from 7,500 to 12,000 gallons of wine per year.
- Text has been added to clarify that on-site sales to the public are prohibited with regard to wine and other goods from the winery.
- All of the existing standards and limitations are proposed to be relocated to Section 6910 from Section 1735.

The general result of these changes would be to increase the amount of by right wine production from 7,500 gallons per year to 12,000 gallons per year. No discretionary permit would be required for an existing Wholesale Limited Winery to increase production pursuant to this amendment.

Boutique (Existing classification)

- The existing wine production limit (less than 12,000 gallons annually) remains unchanged.
- Of the total fruit used in winemaking, a minimum of 75 percent shall be grown within San Diego County, a minimum of 25 percent shall be grown on the premises, and a maximum of 25 percent may be grown outside of San Diego County.
- Boutique Wineries continue to share the same limitations on the size of on-site structure(s) used in the production of wine as Wholesale Limited Wineries, but are allowed one on-site tasting/retail sales room that may operate from 10:00 A.M. until legal sunset seven days a week. The tasting/retail sales room shall be accessory to wine production and shall not exceed 30 percent of the total square footage of the structure used for wine production.
- Events, including but not limited to weddings and parties, and amplified sound are prohibited.
- The sale and consumption of pre-packaged food is allowed on the premises. Catered food service is allowed, but no food preparation is allowed at a Boutique Winery.
- A minimum of six parking spaces shall be provided for customers and a minimum of three spaces shall be provided for employees and operations. No parking is allowed off the premises.
- The on-site driveway and parking area shall not be dirt. The on-site driveway and parking area may be surfaced with chip seal, gravel, or an alternative surfacing material such as recycled asphalt suitable for lower traffic volumes.
- Outdoor eating areas shall be limited to a maximum of five tables and provide seating capacity for no more than 20.
- Vehicles with a capacity in excess of 12 passengers are not allowed.

The general result of these changes would be to allow a Boutique Winery to provide on-site tasting and direct sales to the public by right. No discretionary permit would be required for the establishment of a Boutique Winery or for an existing Wholesale Limited Winery to become a

Boutique Winery. There would be no change to the maximum allowed wine production, which would remain at less than or equal to 12,000 gallons or approximately 5,000 cases.

Small Winery (New classification)

- Wine production shall be limited to less than or equal to 120,000 gallons annually.
- Of the total fruit used in winemaking, a minimum of 50 percent shall be grown within San Diego County, a minimum of 25 percent shall be grown on the premises, and a maximum of 50 percent may be grown outside of San Diego County.
- The sale and consumption of pre-packaged food is allowed on the premises. Refrigeration shall be approved by the County of San Diego Department of Environmental Health. Catered food service is allowed, but no food preparation is allowed at a Small Winery. Catered food service includes the provision of food that is ready to eat and that has been prepared off the Small Winery premises.
- Events, including but not limited to weddings and parties, may be allowed upon the making of the findings for approval of an Administrative Permit.
- This use classification is only allowed in A70 Limited Agricultural and A72 General Agricultural zones and requires an Administrative Permit.

Winery (Existing classification)

It should be noted that no changes are proposed to the "Packing and Processing: Winery" (Winery) Use Type. This includes the crushing of grapes, berries, and other fruits and fermentation, storage, and bottling of wine from fruit grown on or off the premises. A Winery may also include a tasting room and retail outlet as secondary uses. The Winery Use Type is allowed upon approval of a Major Use Permit in the Rural Residential (RR), Recreation-Oriented (RRO), Residential-Commercial (RC), A70, A72, Limited Control (S87), Specific Plan Area (S88) and General Rural (S92) Use Regulations. A Winery is allowed by right in all Industrial Use Regulations.

Item B: Density Bonus:

To encourage the construction of housing that is affordable to residents with incomes at or below the regional median income, the State revised its density bonus law (Attachment B-7). State law provides that the maximum number of units allowed under local regulations may be increased (a density bonus) if the project applicant reserves a specified percentage of the project's units for residents that meet income or age restrictions. In addition to the by-right density bonus, the applicant may also receive up to three incentives depending on the amount of income restricted housing provided.

This project revises and consolidates the various density bonus programs offered by the County into one program which is consistent with State law. Another important change requires applicants to submit a financial pro forma (Attachment B-8) to demonstrate the need for any requested incentives.

Implementation of the revised program requires amendments to the Zoning Ordinance and a revision to Regional Land Use Element Policy 3.6. The amendment to Policy 3.6 renames the policy to "Density Exceptions for Affordable or Senior Housing." and will allow the maximum density, assigned by the General Plan, to be exceeded when a project qualifies for a density bonus.

Density Bonus Program for Affordable Senior Housing

The County has an existing program that offers a greater bonus than is required by the State. It is available to projects with 35 percent of the units reserved for very low income seniors and requires a major use permit. It is regulated by Board Policy I-79 (Housing Affordable to Elderly Households) and Regional Land Use Policy 3.6 (Low and Moderate Income Elderly Housing).

This program has been revised to require that 100 percent of the units be reserved for rental to moderate or lower income seniors through an administrative permit. The program will be regulated by the Zoning Ordinance. Thus Board Policy I-79 is no longer needed and is proposed for repeal.

Density Bonus Program for Mobilehome Parks

The County's existing density bonus program for mobilehome parks is regulated by Regional Land Use Policy 3.8 (Mobilehome Park Development Density Bonus Program) and Board Policy I-102 (Guidelines for Meeting the Socio-economic Benefit Provisions of Regional Land Use Element Policy 3.8). Because the proposed density bonus program described above also applies to mobilehome parks, Policy 3.8 and Policy I-102 are no longer necessary and are proposed for repeal. The amendment also deletes references to Policy 3.8 that appear in the Zoning Ordinance.

Item C: Montecito Ranch:

The Montecito Ranch project area is identified as a specific planning area in the Ramona Community Plan. The project has been designed as a residential master planned community on a 935.2-acre site that consists of 417 single family residences, an 8.3-acre active park, and an 11.9-acre historic park. It also includes designated biological open space of 576.2 acres, if the project connects to the Ramona Municipal Water District, or 551.5 acres, if the project relies on a standalone wastewater reclamation facility. Implementation of the project would preserve approximately 61% of the project site as biological open space, including many of the natural landforms and the more visually prominent topography of the project site. Residential lots would range in size from 20,000 square feet to 1.8-acres. Multi-use trails would be provided within the open space areas and along the project's roadways.

The project application includes a request for a General Plan Amendment, a Specific Plan Amendment, a Rezone, two Major Use Permits (Major Use Permit 04-045 would provide detailed development standards and Major Use Permit 09-023 would be required to implement the wastewater reclamation facility) and a Vesting Tentative Map/Site Plan.

The General Plan Amendment would:

- Amend the Circulation Element to delete SA 603 (between Pine Street and Rangeland Road) from the County's Circulation Element, to realign SA 330 (between Sonora Way and Ash Street), and to realign SA 330 to match the Montecito Way configuration (between Montecito Road and Sonora Way). Additionally, the project includes the reclassification of Montecito Road (between Montecito Way and Main Street (SR67)), Montecito Way (between Montecito Road and Sonora Way), and Ash Street (between Alice Street and Pine Street (SR78)) from Rural Collector Roads to Rural Light Collector Roads.
- Amend the Ramona Community Plan Text to replace the 30-acre park description with an 8.3-acre active park and an 11.9-acre historic park. This amendment would also remove industrial and agricultural land uses and replace a 2-acre minimum parcel size with a minimum parcel size of 20,000 square feet.
- Amend the Regional Land Use Element Map to change the land use designation of a 2.13-acre parcel from an (18) Multiple Rural Use Designation to a (21) Specific Plan Area designation.

The Specific Plan Amendment would establish the project's objectives, as well as the project's site design and layout. The Rezone would establish development regulations consistent with the Specific Plan, Ramona Community Plan and the County's General Plan. For more information on these permit types, and a summary of the Vesting Tentative Map, Site Plan, and the two Major Use Permits, please see Attachment C-1: Additional Information Sheet.

PROJECT ISSUES:

Item A: Tiered Winery Ordinance

Project issues have been raised by both project proponents and opponents. The Planning Commission's April 30, 2010 action included recommendations to address issues with the proposed project. A description of each recommendation and staff's response has been provided. (See Attachment A-5).

Significant and Unavoidable Impacts: The EIR's information and analysis identify that certain significant effects of implementing the proposed project are unavoidable and unmitigable. These unavoidable significant effects relate to air quality, biological resources, cultural resources, hydrology and water quality, noise, traffic and water supply. The draft EIR's conclusions are largely based on the fact that the proposed project would allow an unknown number of by right winery use types throughout an area approximately 440,000 acres in size with varying

environmental conditions. Therefore, because of the nature of the proposed ordinance, the EIR could not conclusively rule out significant environmental impacts in some issue areas

Item B: Density Bonus

No significant issues have been identified. Refer to the Public Input section below for issues raised by the public.

Item C: Montecito Ranch

Wastewater Treatment: The project evaluated two options for wastewater disposal. Option 1 would allow the project to connect to Ramona Municipal Water District (RMWD) for sewer service, whereas Option 2 involves the formation of an independent sewer district and construction and operation of an on-site wastewater reclamation facility. Under Option 2, the formation of a stand alone wastewater reclamation facility would be governed by the project's property owners via a Community Services District (CSD). The independent CSD would require no operational or administrative involvement by the Department of Public Works, once the district was formed and the facility was operating. As required by the County's Zoning Ordinance for a water reclamation facility, the applicant submitted Major Use Permit 09-023 for the proposed wastewater reclamation facility.

Staff recommends denial of this Major Use Permit. The project is located within the RMWD, which has latent powers that can be activated to provide sewer service to the project. Additionally, the RMWD has issued a Sewer Facility Availability Letter stating that the site could be served. Also, the provision of sewer service to this project would be consistent with the District's regional planning objectives. It is important to note that off-site District improvements required to implement Option 1 would enhance RMWD operations and benefit the larger Ramona Community. Connecting to RMWD would also be consistent with LAFCO's goals and policies that discourage the duplication of municipal services. Additionally, County staff has found that requiring the project to connect to RMWD for sewer service would result in lower operational and maintenance costs (compared to a stand alone package treatment plant) due largely to economies of scale, even though the initial upfront capital improvement cost of connecting to sewer may be higher.

Significant and Unavoidable Impacts: The project has been found to have significant and unavoidable impacts to transportation and air quality. A Statement of Overriding Considerations has been drafted which explains why the significant unavoidable effects are acceptable due to various economic, legal, social, technological, and other overriding benefits (See Attachment C-4 – Environmental Documentation).

• **Traffic:** Mitigation for the project's direct traffic impacts to segments of SR 78 from Haverford Road to H Street and SR 67 from Hunter Street to Poway Road would be infeasible. To fully alleviate the impacts to these two roadways, SR 78 would need to be widened to four lanes for a length of 2.0 miles and SR 67 would need to be widened to

four lanes for a length of 9.5 miles. These improvements would require extensive conversion of existing land uses beyond the purview/ability of a private applicant and require regional highway improvements of a magnitude and scope disproportionate to the Project.

• Air Quality – Short-term Volatile Organic Compound (VOC): Similarly, mitigation for the project's temporarily significant air quality impact during construction with respect to volatile organic compounds (VOC) emissions would also be infeasible. In order to mitigate project-direct air quality impacts related to VOC emissions to less than significant levels, the project would be required to paint less than one house per day. Implementation of this mitigation measure would stretch residential painting over a period of approximately two years and is considered infeasible for these temporary effects (i.e., it is not capable of being accomplished within a reasonable period of time, taking into account economic and technological factors).

To mitigate the impacts related to VOC emissions, the project would incorporate low-VOC coating which meets the requirements of the San Diego County Air Pollution Control District (APCD) Rule 67.0. These coatings are generally water-based and typically meet a VOC content of 150 grams per liter or less. This measure reduces VOC emissions, but temporary impacts during construction remain significant.

ENVIRONMENTAL STATUS:

Item A: Tiered Winery Ordinance

A draft EIR has been prepared for this project and is on file at the Department of Planning and Land Use as Environmental Review Number 08-00-004. The draft EIR was circulated for public review in August of 2009. The draft EIR's information and analysis identify that certain significant effects of implementing the proposed project are unavoidable and unmitigable. These unavoidable significant effects relate to air quality, biological resources, cultural resources, hydrology and water quality, noise, traffic and water supply. The draft EIR's conclusions are largely based on the fact that the proposed ordinance would allow an unknown number of by right winery use types throughout an area approximately 440,000 acres in size with varying environmental conditions. Therefore, because of the nature of the ordinance, the draft EIR could not conclusively rule out significant environmental impacts in some issue areas. Section 15091 Findings Regarding Significant Effects and a Statement of Overriding Considerations have been prepared for the project.

After the DEIR was circulated for public review, and partially in response to certain comments received from the public, DPLU revised portions of Section 2.7, Water Supply and Ground Water. The revised information changed the Cumulative Impact Analysis for Water Supply and Ground Water Supply from less than significant to significant based on additional analysis of the

project's impact on ground water basins. DPLU circulated the DEIR Revisions for public review on April 22, 2010. See Attachment A-3. The 45 day public review period ended on June 7, 2010.

Item B: Density Bonus

Section 15060(c)(1)

Pursuant to CEQA Guidelines Section 15060(c)(1), an activity is not subject to CEQA if it does not involve the exercise of discretionary powers by the public agency. The following actions are consistent with the requirements and intent of State density bonus law and therefore do not require discretionary judgment on behalf of the County.

- The Zoning Ordinance amendment, with the exception of the County Affordable Senior Housing component presented in Zoning Ordinance Section 6360(a)(2).
- The portion of the General Plan amendment that revises Policy 3.6 to allow the density bonus program to exceed the maximum density assigned by the General Plan.

Section 15061(b)(3)

Pursuant to CEQA Guidelines Section 15061(b)(3), an activity is not subject to CEQA if it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. The following actions consist of revisions to existing regulations. The revised regulations reduce the potential increase in density when compared to the impacts of the existing program. See Attachment B-5 for the environmental documentation.

- The amendment to the Zoning Ordinance Section 6360(a)(2) and the repeal of Board Policy I-79 reduce the density bonus available to affordable senior housing from a range of 55 to 150 percent under the existing program to a range of 40 to 50 percent.
- The repeal of Policy 3.8 and Board Policy I-102 significantly reduces the density bonus currently available to mobilehome parks in the low-density designations (rural and semi-rural areas) of the General Plan.

Item C: Montecito Ranch

An Environmental Impact Report (EIR) has been prepared for this project, as well as Section 15091 Findings Regarding Significant Effects of the Project. A Statement of Overriding Considerations dated August 4, 2010 has also been prepared. These documents are on file with DPLU as Log No. 01-09-013. The public review period for the EIR was June 8, 2008 to July 18, 2008 (45-day review period). The current proposal is consistent with the proposed project analyzed in the EIR. See Attachment C-4 for the environmental documentation.

PREVIOUS ACTIONS:

N/A

PUBLIC INPUT:

Item A: Tiered Winery Ordinance

The Ramona Valley Winery Association (RVWA) has been involved in the development of the Ordinance and generally supports staff's recommendations with a few minor suggestions.

Item B: Density Bonus

To assist in drafting the ordinance, staff consulted with a local stakeholder group consisting of representatives from housing advocacy groups, County Housing and Community Development, the Building Industry Association, and community planning groups. On July 29, 2009, the Department distributed the draft ordinance and draft General Plan amendment for a 45 day review. Staff has evaluated the comments and made some minor changes. Although staff received criticism for implementing a program that allows the maximum density assigned by the General Plan to be exceeded, the density bonus requirements are mandated by State law and supersede local regulations. See Attachment B-6 for copies of the submitted comments.

Item C: Montecito Ranch

Please see the Advisory Board Statement above.

PLANNING COMMISSION REASONS FOR RECOMMENDATION:

Item A: Tiered Winery Ordinance

On April 30, 2010, the Planning Commission voted to approve the Tiered Winery Ordinance for the following reasons and with specific recommendations. The recommendations and staff's responses are included as Attachment A-5.

- 1. The project, as proposed, is consistent with Board of Supervisor Policy I-133, Support and Encouragement of Farming in San Diego County through the encouragement of production of local grapes and the creation of a market to support sales.
- 2. The project, as proposed, will streamline and clarify Winery regulations and foster economic growth by contributing to the maintenance and/or expansion of the County's grape growing/wine production industry.
- 3. The project as proposed will promote the County's wine industry and facilitate the maintenance and/or expansion of visitor serving businesses such as restaurant, cafes and lodging facilities.
- 4. The project as proposed, will promote the production of grapes, a low water use crop thereby reducing demand for water from more water intensive crops and supporting the viability of agricultural lands.
- 5. The project complies with the California Environmental Quality Act and State and County CEQA Guidelines because a Draft EIR has been reviewed and considered by the Board of Supervisors before making a recommendation on the project.

On June 25, 2010, a motion by the Planning Commission to recommend approval of the related GPA 10-002, as it applies to the Regional Land Use Element Policy 2, failed 3 ayes – 2 noes - 0 with two members absent. Under Planning Commission Policy Number PC-2, the failure of the motion to receive four votes is deemed to be a recommendation by the Planning Commission that GPA 10-002 be disapproved as it applies to amendments to the Regional Land Use Element Policy 2.

Item B: Density Bonus

The proposed amendments to the Zoning Ordinance would continue to promote public health, safety and the general welfare by making the County regulations consistent with State density bonus law (Government Code 65915 et seq.), clarifying submittal and procedural requirements, and providing housing opportunities for lower and moderate income households and for seniors.

- 1. Existing density bonus programs are located across General Plan policies, Board policies, and the Zoning Ordinance. By revising and reorganizing the three existing density bonus programs into one program located in the Zoning Ordinance, the program is simplified and the options are more easily understood.
- 2. General Plan Housing Element Policy 11 encourages the provision of housing for seniors and for moderate and lower income households through a County density bonus program. This project implements the policy and will be included in the County's progress report to the California Department of Housing and Community Development.
- 3. The project has been reviewed in compliance with the CEQA and State and County CEQA Guidelines. The project is exempt under Sections 15060(c)(1) and 15061(b)(3) because the components of the project either do not require discretionary judgment by the County or will not have a significant effect on the environment.

Item C: Montecito Ranch

- 1. The project would be consistent with the Estate Development Area (EDA) Regional Category and the (21) Specific Plan Land Use Designation of the General Plan, because the proposal is for a single family residential development project that is consistent with the existing General Plan density of 0.5 dwelling units per acre.
- 2. The project would be consistent with the Ramona Community Plan, because it has prepared a Specific Plan for the Montecito Ranch project site and it would not exceed 417 dwelling units.
- 3. The project would be consistent with the Specific Plan (S-88) Use Regulation, because it proposes S-88 zoning, which was prepared in accordance with Section 2880 of the

Zoning Ordinance. The S-88 zoning includes development regulations that are consistent with proposed General Plan and Specific Plan.

- 4. The Vesting Tentative Map (VTM 5250 RPL6) has been reviewed in compliance with all the required findings of the Subdivision Map Act and County Subdivision Ordinance as described and incorporated in the attached Resolution, Attachment C-2.
- 6. The Site Plan as proposed complies with all the required findings of the Zoning Ordinance as described and incorporated in the attached Decision, Attachment C-2.
- 7. The proposed Major Use Permit that details the project's development regulations (P04-045) is consistent with the proposed Montecito Ranch Specific Plan. In addition, this use permit complies with all the findings required to grant Major Use Permit as set forth in Section 7358 of the Zoning Ordinance.
- 8. The proposed Major Use Permit for package wastewater treatment facilities (P09-023) is required by the County Zoning Ordinance. It includes a plot plan and a Master Plan for the Wastewater Reclamation Facility (WRF) demonstrating technical feasibility of the facility. The Commission found that it would be more cost effective for the applicant to construct an onsite WRF than to require the applicant to pay capital improvement costs associated with connecting the project to the RMWD for sewer service.
- 9. The project complies with the CEQA and State and County CEQA Guidelines because an EIR, dated April 2010 and on file with the Department of Planning and Land Use as Environmental Review No. 01-09-013, has been prepared, was advertised for public review, and is proposed for certification by the Board of Supervisors.

DEPARTMENT REASONS FOR RECOMMENDATION:

Item A: The Department concurs with the Planning Commission's reasons of April 30, 2010, for recommending approval of the Tiered Winery Ordinance. However, the Department does not concur with the Planning Commission's recommendation of June 25, 2010, to deny the General Plan Amendment (GPA) 10-002 as it applies to Regional Land Use Element Policy 2.

The GPA for Item A, amending Regional Land Use Element Policy 2, was heard on June 25, 2010, before a Planning Commission with two members absent. Planning Commission Policy Number PC-2 states that a motion to recommend an application to the Board must receive four votes. A motion to recommend approval of GPA 10-003 received three votes in favor and two votes opposed. Although Policy PC-2 prevents the Planning Commission from recommending approval of the GPA, the Department does not consider the recommendation a firm denial because the favorable votes outnumbered the opposition and two commissioners were absent.

In addition, the draft EIR prepared for the ordinance identifies significant and unavoidable environmental impacts in seven issue areas. Currently, the General Plan does not allow any development other than a single-family home on an existing lot in the (18) Multiple Rural Use and (24) Impact Sensitive Land Use Designations when significant environmental impacts have been identified. The proposed GPA amendment to the General Plan exempts the Tiered Winery Zoning Ordinance Amendment from provisions of the (18) Multiple Rural Use and (24) Impact Sensitive Land Use Designations. The General Plan Amendment is needed to ensure that project objectives in these land use designations are met including (i) encouraging property owners to retain agricultural lands in production, (ii) encouraging the farming of crops that use less water, and (iii) creating a market for the use of locally grown grapes.

Item B: The Department concurs with the Planning Commission's reasons for recommending approval of the Density Bonus Ordinance.

Item C: The Department concurs with the Planning Commission's reasons for recommending approval of the Montecito Ranch project with the exception of the Commission's reasons to approve P09-023, the Wastewater Reclamation Facility (WRF) for Montecito Ranch.

Staff recommends denial of Major Use Permit 09-023 based on several General Plan policies. The County's Public Facility Element Section 2, Policy 4.1 directs the County to coordinate facility planning with cities and special districts in the region. Similarly, Policy 4.2 directs the County to encourage collaboration among facility providers within the region. The project is located within the RMWD, which has latent powers that can be activated to provide sewer service to the project. Having RMWD provide sewer service to the project is consistent with the Districts regional planning objectives and it is consistent with the goals and polices prescribed by LAFCO, which discourage duplication of municipal services. Finally, Policy 11 in Montecito Ranch Specific Plan chapter of the Ramona Community Plan states "Package treatment plants shall be discouraged." Given RMWD and LAFCO staff's preference to have the project connect to RMWD for sewer, and that the Ramona Community Plan specifically discourages a stand alone treatment plant for the Montecito Ranch specific planning area, County staff recommends denial of the Major Use Permit 09-023.

Respectfully submitted,

CHANDRA L. WALLAR

Deputy Chief Administrative Officer

Chardra Wallan

ATTACHMENT(S):

Attachment 1 – Resolution of the San Diego County Board of Supervisors Adopting General Plan Amendment (GPA) 10-002

Exhibit A – Tiered Winery Ordinance GPA 10-003

Exhibit B – Density Bonus Ordinance GPA 09-003

Exhibit C – Montecito Ranch Project GPA 04-013

Item A: Tiered Winery Ordinance

Attachment A-1 – Form of Ordinance

Attachment A-2 – Form of Ordinance Strikeout/Underline

Attachment A-3 – Environmental Documents

Attachment A-4 – Planning Commission Minutes

Attachment A-5 – April 30, 2010 Planning Commission Recommendations

Attachment A-6 – Public Comments and Responses

Item B: Density Bonus

Attachment B-1 – Summary of Changes

Attachment B-2 – Zoning Ordinance Amendment

Attachment B-3 – Zoning Ordinance Amendment Strikeout/Underline

Attachment B-4 – Board Policies

Attachment B-5 – Environmental Documentation

Attachment B-6 – Public Comments

Attachment B-7 – State Density Bonus Law

Attachment B-8 – Financial Pro Forma

Attachment B-9 – Planning Commission Minutes

Item C: Montecito Ranch

Attachment C-1 – Planning Documentation

Attachment C-2 – Resolution and Forms of Decision Approving SP01-001; R04-022, VTM5250 RPL⁶, P04-045; P09-023; SITE PLAN 08-019.

Attachment C-3 – Form of Decision Denying Major Use Permit P09-023 for the Wastewater Reclamation Facility (WRF)

Attachment C-4 – Environmental Documentation

Attachment C-5 – Planning Commission Minutes

Attachment C-6 – Public Documentation

Attachment C-7 – Ownership Disclosure

Attachment C-8 – Land Use Analysis

SUBJECT: GENERAL PLAN AMENDMENT (GPA) 10-002: ITEM A: TIERED

WINERY ORDINANCE, GPA 10-003, POD 08-012 (DISTRICT ALL); ITEM B: DENSITY BONUS, GPA 09-003, POD 08-002 (DISTRICT: ALL) AND ITEM C: MONTECITO RANCH, GPA 04-013, SP 01-001, R 04-022, VTM 5250 RPL⁶, P 04-045, P 09-023, S 08-019, ER 01-09-013, RAMONA

COMMUNITY PLAN AREA (DISTRICT: 2)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: [] Yes [X] No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED [] Yes [X] No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

I-79 - Housing Affordable to Elderly Households

I-102 - Guidelines for Meeting the Socio-economic Benefit Provisions of Regional Land Use Element Policy 3.8

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

Item B is the County's revised Density Bonus Ordinance which was rewritten to comply with mandatory State Density Bonus Law found at Government Code 65915 (see Attachment B-7).

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Department of Planning and Land Use

OTHER CONCURRENCE(S): Department of Public Works

Department of Parks and Recreation

Department of Housing and Community Development

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