

ATTACHMENT 8

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Water supply impacts of projected ADU and affordable housing
development in Los Osos



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING & BUILDING
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**Los Osos Community Plan Final Environmental Impact Report
ADVISORY MEMORANDUM #1**

To: Planning Commission

From: County Planning Staff

Date: July 24, 2020

Subject: Water supply impacts of projected ADU and affordable housing development in Los Osos

This memo is prepared in response to comments received regarding the Los Osos Community Plan (“LOCP”) Update that expressed concerns regarding the potential water supply impacts of potential construction of accessory dwelling units (“ADUs”) and affordable housing development. More specifically, this memo supplements and clarifies the analysis in the LOCP Final Environmental Impact Report (“FEIR”) with respect to this issue. Based on the analysis below, the County finds that this supplemental analysis and clarification does not trigger the need to recirculate the FEIR pursuant to CEQA Guidelines Section 15162.

Clarification of Existing Regulatory Setting

ADUs and affordable housing projects are exempt from the Growth Management Ordinance (Title 26) but are still required to offset their water use at a 2:1 ratio, achieved through plumbing retrofit projects for existing development, per Section 19.07.042 of the Buildings and Construction Ordinance (attached). This offset requirement applies to all construction of new structures that use water from the Los Osos Groundwater Basin with no exemptions. With this 2:1 water offset requirement in place, new development results in a reduction in total water demand basin wide.

Los Osos Community Plan Standards

The LOCP Communitywide Standards (Section 7.3.D.) prohibit the Title 19 offset requirement from being removed unless the Review Authority finds allowed development can be accommodated by the sustainable yield of the Los Osos Groundwater Basin without causing seawater intrusion, as identified in the Basin Plan for the Los Osos Groundwater Basin and annual monitoring reports.

Projected ADU and Affordable Housing Development, Water Use, and Offset Capacity

1) This memo 1) estimates the projected development rate and associated water demand and offset requirement for ADUs and affordable housing in Los Osos for the 20-year

planning horizon of the LOCP; 2) estimates the available water savings potential in Los Osos; and 3) concludes the estimated water savings potential is sufficient to accommodate the offset needed for ADU and affordable housing developed projected for the 20-year planning horizon of the LOCP, assuming the Title 19 offset requirement at a 2:1 ratio remains in place. **Estimated development rate and associated water demand and offset requirement for ADUs and affordable housing in Los Osos for the LOCP 20-year planning horizon.**

ADUs

Development Rate. ADUs have been restricted historically on most parcels in the Los Osos Urban Area based on minimum parcel size standards. New state mandates override such minimum parcel size requirement except under limited circumstances. The amended ADU ordinance (still pending Coastal Commission review¹) revises local ADU requirements to expressly comply with state mandates by allowing ADUs to be built on most parcels if they have an existing primary single-family residence. The California Department of Housing and Community Development (“HCD”) directs local jurisdictions to assume an increase of five times the historic ADU development rate for the next 8 years to account for the effect of the new state mandates which are intended to promote the development of ADUs. To project ADU development during the 20-year planning horizon of the LOCP, it is assumed that the five time increase in historic ADU development rate extends for 20 years, not just the 8 years recommended by HCD. Because the historic ADU development rate in Los Osos is 0%, the countywide historic ADU development rate is used instead, adjusted based on the percentage of the countywide housing stock that is in Los Osos. The ADU ordinance prohibits ADUs from being used as vacation rentals.

14% of the County’s existing housing stock is in Los Osos, based on annual growth rate calculations for the Growth Management Ordinance (estimating 44,040 existing dwelling units countywide) and the LOCP FEIR (estimating 6,321 existing dwelling units in Los Osos). From January 2017 – July 2020, the County issued 39 building permits for “secondary dwelling units” (the ADU equivalent) countywide, an average of 16 new units per year. Five times this rate is 80 new units per year countywide. 14% of this total is 11 new units per year. Therefore, the ADU development rate for Los Osos is assumed to 11 new units per year. Over 20 years, the total would be 220 new ADUs in Los Osos.

Estimated Water Use. The LOCP assumes 2.2 people per average dwelling. The average occupancy rate for an ADU is 1.5 people. Based on this ratio, it is assumed that an ADU uses 70% of the water demand of an average dwelling. Based on 2019 water usage data from LOCSD (attached), the average single-family dwelling uses 0.15 acre-feet per year

¹ It should be noted that Coastal Commission staff has taken the position that revisions to ADU law, Gov. Code Section 65852.2, which prohibit agencies from establishing standards regarding the construction of ADUs based on minimum lot sizes, do not apply to areas subject to the California Coastal Act. Both County Counsel’s Office and staff at HCD have taken the opposite position.

(AFY) of water. 70% of 0.15 AFY is 0.105 AFY. Assuming an annual increase of 11 ADUs using 0.105 AFY of water each, the estimated total water use is projected to increase 1.2 AFY annually for a total increase in 24 AFY over 20 years.

Estimated Water Offset Needed. As discussed above, new ADUs must offset their water use at a 2:1 ratio. The total water offset needed would be 2.4 AFY annually for a total offset of 48 AFY over 20 years.

Affordable Housing

Development Rate. There are vacant Residential Multi Family and Residential Single-Family parcels in Los Osos that could accommodate an affordable housing project. Several public comments submitted for the July 9th Planning Commission hearing referenced a sentence from LOCP FEIR analysis indicating that Los Osos could accommodate “60% of all very low and low-income housing potential in unincorporated areas.” This statement was based on the potential land use, not the planned land use. To clarify, the draft 2020-2028 County Housing Element does not identify any parcels in Los Osos as sites for affordable housing to meet Regional Housing Needs Assessment (RHNA) numbers per State requirements. The LOCP FEIR assumes two multifamily affordable housing developments – one 1.5 acres and one 3 acres – with a density of 36 units per acre will be constructed during the LOCP 20-year planning horizon, totaling 162 new dwelling units.

Estimated Water Use. The LOCP assumes 2.2 people per average dwelling. Based on 2019 water usage data from LOCPD (attached), the average single-family dwelling uses 0.15 AFY of water. Therefore, the estimated water use for 162 new multifamily affordable dwelling units is 24.3 AFY.

Estimated Water Offset Needed. As discussed above, new affordable housing development must offset its water use at a 2:1 ratio. The total water offset needed for the projected 162 new units over 20-years would be 48.6 AFY.

Summary

The table below summarizes the projected ADU and affordable housing development, the associated estimated increase in water use, and required water offset volume for the LOCP 20-year planning horizon. The total estimated water offset volume required is 96.6 AFY, rounded to 100 AFY

Table 1: Projected ADU and affordable housing development, water use, and offset volume

Estimated Increase over 20-Year LOCP Planning Horizon				
Development Type	New Dwelling Units	Water Use (AFY)	Water Offset Required (AFY)	Reduction in Water Demand (AFY)
ADUs	220	24	48	24
Affordable Housing	162	24.3	48.6	24.3

Total	382	48.3	100	48.3
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2) Estimated water savings potential in Los Osos.

Developed properties within the Los Osos sewer service area were required to retrofit their toilets to 1.6 gallons per flush (gpf), showerheads to 2.5 or 2.0 gallons per minute (gpm), and bathroom sink aerators to 1.0 gallons per minute (gpm) before connecting to the community sewer system. Almost all of these properties have been retrofitted. The County also requires retrofitting of toilets, showerheads, and bathroom sink aerators to the same flow rates for existing structures in Los Osos when a property is sold (Title 8) or if a building permit is issued for an addition of 120 sf or more or a remodel (Title 19).

The 2019 annual report prepared for the Los Osos Basin Management Committee estimates 160-350 AFY of potential water savings for implementing additional water conservation measures to continue to reduce urban water demand in Los Osos to mitigate seawater intrusion, summarized in the table below. See the attachment (Table 27 from the annual report) for more detail about the estimation assumptions. Some of the water purveyors operate rebate programs for the additional plumbing retrofits listed in the table. The County's water offset requirement for new development will help further these additional conservation efforts in the basin. The application form for this "retrofit-to-build" standard is currently for toilet, showerhead, bathroom sink aerator, and washing machine retrofits. The Planning Director has the authority to allow additional plumbing retrofits to qualify. The program may be expanded to incorporate additional water conservation programs as needed. The application form is attached for reference and is available on this website: <https://www.slocountywwcp.org/plumbing-retrofit-to-build>

Table 2: Estimated Water Savings Potential for Additional Conservation Programs

Item No.	Conservation Measure Name	Approximate Savings Potential (AFY)	
Indoor-1	Hot water recirculation system	50 – 100	150 - 260
Indoor-2	High efficiency clothes washer	40 – 60	
Indoor-3	Replace 1.6 gpf toilets with 1.28 or below	30 – 50	
Indoor-4	Replace 2.0 gpm showerheads with 1.5 gpm	30 – 50	
Outdoor-1	Septic tank repurpose – roof water only	40 - 60	10 - 90 (Total savings for outdoor programs are not all additive)
Outdoor-2	Septic tank repurpose – with recycled water hauling	70 – 90	
Outdoor-3	Gray water system	70 – 90	
Outdoor-4	Laundry to landscape program	10 - 20	
Total Approximate Savings Potential, Indoor and Outdoor (AFY)			160 - 350

Source: 2019 Annual Monitoring Report Prepared for the Los Osos Basin Management Committee, Table 27 (attached)

3) **Conclusion: The estimated water savings potential from additional water conservation programs (160-350 AFY) is sufficient to accommodate the estimated water offset volume needed for ADU and affordable housing development projected for the 20-year planning horizon of the LOCP (100 AFY). The 2:1 water offset requirement for ADU and affordable housing development would result in a net decrease in total water use basin wide.**

Attachments:

- 1) County Code, Section 19.07.042 *Water Conservation Provisions*
- 2) LOCSO 2019 Water Usage Data
- 3) 2019 Annual Report, Table 27 *Recommended Water Conservation Measures*
- 4) Title 19 “Retrofit-to-Build” Application Form