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Appeal Filed: 11/25/2025
Action Deadline: 2/9/2026
Staff: Devon Jackson - SC
Staff Report: 1/16/2026
Hearing Date: 2/4/2026

STAFF REPORT SUBSTANTIAL ISSUE DETERMINATION ONLY

Appeal Number: A-3-SLO-25-0052

Applicants: Paul and Melanie Kasson

Appellant: Los Osos Sustainability Group

Local Government: San Luis Obispo County

Local Decision: Coastal development permit application number C-DRC2021-00014 approved by the San Luis Obispo County Board of Supervisors (on local appeal) on November 4, 2025

Location: A vacant parcel along Cottontail Lane in the unincorporated community of Los Osos in San Luis Obispo County (APN 074-326-050)

Project Description: Construction of an approximately 3,580 square-foot two-story single-family residence, including an attached garage, driveway, septic system, and associated site improvements

Staff Recommendation: No Substantial Issue

IMPORTANT HEARING PROCEDURAL NOTE

Please note that this is a substantial issue only hearing, and testimony will be taken only on the question of whether the appeal raises a substantial issue. Such testimony is generally limited to three minutes total per side (although the Commission's Chair has the discretion to modify these time limits), so please plan your testimony accordingly. Only the Applicant, persons who opposed the application before the local government, the local government, and their proxies/representatives are allowed to testify during this substantial issue phase of the hearing. Other interested parties may submit comments in writing. If the Commission finds that the appeal raises a substantial issue, then the Commission takes jurisdiction over the underlying coastal development permit (CDP) application and will then review that application at a future Commission meeting, at which time all persons are invited to testify. If the Commission finds that the appeal

does not raise a substantial issue, then the local government CDP decision stands, and is thus final and effective.

SUMMARY OF STAFF RECOMMENDATION

San Luis Obispo County approved a CDP that authorized a new single-family residence on an undeveloped parcel in the unincorporated community of Los Osos in San Luis Obispo County. The Appellant contends that the County's CDP approval raises LCP consistency questions related to the adequacy of water to serve the development, arguing that there is not sufficient water and thus that the project should be denied. Staff respectfully disagrees. The Commission has spent considerable time in the past evaluating Los Osos' water supply issues, including groundwater health and any coastal resource concerns associated with community withdrawals, and has concluded that the current best available science demonstrates that the Los Osos Groundwater Basin is not in overdraft, that withdrawals are not resulting in any significant coastal resource harm, and that there is sufficient water to serve new water-using development. Specifically, the Los Osos Basin Management Committee (BMC), an entity created to comprehensively manage and monitor water resources to stop overdraft and seawater intrusion, has shown that the community has used less water for several years now than the basin's calculated sustainable/safe yield, defined as the amount of water that can be used without advancing any seawater intrusion and meeting all applicable drinking water standards.¹ And, based on this information, the Commission recently approved updates to the LCP reflecting that the community's water supply is healthy enough to support a modest amount of new water-using development, like the project in question here, subject to the strict monitoring of the basin going forward to ensure that the basin remains in a sustainable yield state. Thus, the Commission has determined that there is an adequate and sustainable water supply for Los Osos to serve new water-using development, and applies that understanding to this case as well.

In summary, the project meets the LCP's water adequacy tests, there is no evidence that it will result in any significant adverse coastal resource impacts, and it is consistent with the LCP. As such, staff recommends that the Commission determine that the appeal contentions do not raise a substantial LCP conformance issue, and that the Commission decline to take jurisdiction over the CDP application for this project. The motion necessary to implement this recommendation is found on page 4 below.

¹ The BMC-approved sustainable yield for the Los Osos groundwater basin is 2,000-acre feet, and the community has used under 1,700 acre-feet of water for several years, all below the sustainable yield.

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EXHIBITS

Exhibit 1 – Project Location Map and County-Approved Plans
Exhibit 2 – County Final Local CDP Action Notice
Exhibit 3 – Appeal of County CDP Decision

1. MOTIONS AND RESOLUTION

Staff recommends that the Commission determine that no substantial issue exists with respect to the grounds on which the appeal was filed. A finding of no substantial issue would mean that the Commission would not take jurisdiction over the underlying CDP application for the County-approved project and would not conduct further hearings on these matters, and that the local government CDP decision would stand and is thus final and effective. To implement this recommendation, staff recommends a yes vote on the following motion which, if passed, will result in the recommended no substantial issue finding. If the motion fails, then the Commission will have instead found a substantial issue and will instead take jurisdiction over the subject CDP application for future hearing and action. The motion passes only by an affirmative vote of a majority of the Commissioners present.

Motion: *I move that the Commission determine that Appeal Number A-3-SLO-25-0052 **raises no substantial issue** with respect to the grounds on which the appeal has been filed under Section 30603, and I recommend a **yes** vote.*

Resolutions to Find No Substantial Issue. *The Commission finds that the above-described appeal does not present a substantial issue with respect to the grounds on which the appeal has been filed under Section 30603 of the Coastal Act regarding consistency with the certified Local Coastal Program and/or the public access and recreation policies of the Coastal Act.*

2. FINDINGS AND DECLARATIONS

A. Project Description and Location

The County-approved project is located on a vacant lot (APN 074-326-050) within the unincorporated community of Los Osos, which contains about 15,000 residents and is in central San Luis Obispo County at the southern end of Morro Bay and roughly due west of the City of San Luis Obispo. The Los Osos community is located directly adjacent to Morro Bay, which is a designated State and National Estuary that is well known as one of the most important biologic and wetland resources in California's coastal zone. Los Osos is mostly located atop an ancient dune system formed by centuries of wind-blown sand coming from the southern end of Morro Bay. As a result, the terrain consists primarily of gently rolling hills and sandy soils.

More specifically, the County-approved project consists of construction of an approximately 3,580 square-foot two-story single-family residence, including an attached garage, driveway, septic system, and associated site improvements. The project will result in the disturbance of approximately 5,840 square feet, including 248 cubic yards of cut and 164 cubic yards of fill on a roughly half-acre undeveloped parcel.

See **Exhibit 1** for a location map and plans of the County-approved project.

B. San Luis Obispo County CDP Approval

On July 18, 2025 the San Luis Obispo County Planning Department Hearing Officer approved a CDP for the above-described project. The Los Osos Sustainability Group

(i.e., the current Appellant in this matter before the Coastal Commission) appealed that action to the County Board of Supervisors, and on November 4, 2025, the Board of Supervisors, after deliberation, upheld the underlying CDP approval for the above-described project. The Coastal Commission's Central Coast District Office received the County's notice of that final County CDP action on November 25, 2025 (see **Exhibit 2**), initiating the Coastal Commission's ten-working-day appeal period for this County action, which period concluded at 5 p.m. on December 11, 2025. The Commission received one valid appeal of the County's action during the appeal period (see **Exhibit 3**).

C. Appeal Procedures

Coastal Act Section 30603 provides for the appeal to the Coastal Commission of certain CDP decisions in jurisdictions with certified LCPs. The following categories of local CDP decisions are appealable: (a) approval of CDPs for development that is located (1) between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tide line of the sea where there is no beach, whichever is the greater distance, (2) on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff, and (3) in a sensitive coastal resource area; or (b) for counties, approval of CDPs for development that is not designated as the principal permitted use under the LCP. In addition, any local action (approval or denial) on a CDP for a major public works project (including a publicly financed recreational facility and/or a special district development) or an energy facility is appealable to the Commission. This County CDP decision is appealable to the Commission because the project is within a mapped sensitive coastal resource area and because the site is located between the sea and the first public road paralleling the sea.

For appeals of a CDP approval, grounds for appeal are limited to allegations that the approved development does not conform to the LCP and/or to Coastal Act public access provisions. For appeals of a CDP denial, where allowed (i.e., such appeals are only allowed in extremely limited circumstances – see description of appealable actions, above), the grounds for appeal are limited to allegations that the development conforms to the LCP and to Coastal Act public access provisions.

The Commission's consideration of appeals is a two-step process. The first step is determining whether the appeal raises a substantial issue that the Commission, in the exercise of its discretion, finds to be significant enough to warrant the Commission taking jurisdiction over the CDP application. This step is often referred to as the "substantial issue" phase of an appeal. The Commission is required to begin its hearing on an appeal, addressing at least the substantial issue question, within 49-working days of the filing of the appeal unless the applicant has waived that requirement, in which case there is no deadline. In this case, the Applicants have not waived the 49-working day hearing requirement, and the 49th working day falls on February 9, 2026, requiring a Commission substantial issue action at the Commission's February meeting.

The Coastal Act and the Commission's implementing regulations are structured such that there is a presumption of a substantial issue when the Commission acts on this question, and the Commission generally considers a number of factors in making that

determination.² At this stage, the Commission may only consider issues brought up by the appeal. At the substantial issue hearing, staff will make a recommendation for the Commission to find either substantial issue or no substantial issue. If staff makes the former recommendation, the Commission will not take testimony at the hearing on the substantial issue recommendation unless at least three Commissioners request it, and, if no such hearing is requested, a substantial issue is automatically found. In both cases, when the Commission does take testimony, it is generally (and at the discretion of the Commission Chair) limited to three minutes total per side, and only the Applicant, persons who opposed the application before the local government, the local government, and their proxies/representatives are allowed to testify, while others may submit comments in writing.

If, following testimony and a public hearing, the Commission determines that the appeal does not raise a substantial issue, then the first step is the only step, and the local government's CDP decision stands. However, if the Commission finds a substantial issue, the Commission takes jurisdiction over the underlying CDP application for the proposed project, and the appeal heads to the second phase of the hearing on the appeal.

In the second phase of the appeal, the Commission must determine whether the proposed development is consistent with the applicable LCP (and in certain circumstances the Coastal Act's public access and recreation provisions). This step is often referred to as the "de novo" review phase of an appeal, and it entails reviewing the proposed project in total. There is no legal deadline for the Commission to act on the de novo phase of an appeal. Staff will make a CDP decision recommendation to the Commission, and the Commission will conduct a public hearing to decide whether to approve, approve with conditions, or deny the subject CDP. Any person may testify during the de novo phase of an appeal hearing (if applicable).

D. Summary of Appeal Contentions

The Appellant contends the County's CDP approval raises LCP consistency issues regarding the adequacy of the water to serve the proposed development, contending that that approval is inconsistent with LCP water supply provisions, including those that require denial of projects where adequate water supply is not available, asserting that such is the case at this time in Los Osos in part due to evidence of groundwater overdraft. Please see **Exhibit 3** for the complete appeal document.

² The term substantial issue is not defined in the Coastal Act. The Commission's regulations simply indicate that the Commission will hear an appeal unless it "finds that the appeal raises no substantial issue..." (California Code of Regulations, Title 14, Section 13115(b)). Section 13115(c) of the Commission regulations provides, along with past Commission practice, that the Commission may consider the following five factors when determining if a local action raises a significant issue: (1) the degree of factual and legal support for the local government's decision that the development is consistent or inconsistent with the certified LCP and the Coastal Act's public access provisions; (2) the extent and scope of the development; (3) the significance of the coastal resources affected by the decision; (4) the precedential value of the local government's decision for future interpretation of its LCP; and (5) whether the appeal raises only local issues, or those of regional or statewide significance. The Commission may, but need not, assign a particular weight to a factor, and may make a substantial issue determination for other reasons as well.

E. Substantial Issue Determination

Applicable LCP Provisions

The LCP's Land Use Plan (LUP) is comprised of three components: the Framework for Planning document, which serves as a type of "roadmap" describing the County's coastal zone and how the rest of the LCP functionally works to regulate development; the Coastal Plan Policies document, which identifies the overarching coastal resource protection policies governing development throughout the coastal zone; and four area plans that identify additional policies specific to each of the LCP's four geographic areas (i.e., North Coast, Estero, San Luis Bay, and South County Area Plans), where Los Osos is subject to the LUP's Estero Area Plan (EAP).

The LCP's Implementation Plan (IP) consists of the Coastal Zone Land Use Ordinance (or CZLUO, Title 23 of the County Code). Per the LCP, LUP provisions generally prevail over IP provisions in cases of internal inconsistency or conflict, with some exceptions. Specifically, the LUP's Framework for Planning document states that if a policy listed in the LUP's Coastal Plan Policies document is implemented by an IP ordinance, the ordinance prevails in case of any conflict, and if a policy listed in an LUP area plan conflicts with a policy in the LUP Coastal Plan Policies document or an IP ordinance, the area plan policy prevails in both cases. Thus, for this site, any internal questions are to be resolved in favor of the Estero Area Plan. In addition, the LCP is also required to be read and interpreted consistent with the Coastal Act from which it derives its statutory authority.³

With respect to public services, LUP Public Works Policy 1 only allows decision-making bodies (i.e., the County, and the Coastal Commission if on appeal) to approve projects if there are adequate services to serve such projects. CZLUO Section 23.04.430 carries out this policy, requiring the County to find that adequate water and sewage disposal capacity exists prior to approving any new development in San Luis Obispo County. In addition, LUP Coastal Watershed Policies 1 and 2 protect the integrity of groundwater basins, including by requiring that the basin's safe yield is not exceeded. These provisions state:

LUP Public Works Policy 1: Availability of Service Capacity. New development (including divisions of land) shall demonstrate that adequate public or private service capacities are available to serve the proposed development. Priority shall be given to infilling within existing subdivided areas.

³ See *McAllister v. California Coastal Commission* (2009, 169 Cal. App. 4th 912, 929), wherein the Sixth District Court of Appeal overturned a project approval by the Commission in the early 2000s interpreting an LCP ESHA policy to allow non-resource-dependent use (in that case residential use) and development in ESHA. The Court found that such an interpretation was improper, and that the LCP must be understood in relation to the requirements of Coastal Act Section 30240, from which LCP ESHA policies derive their authority, even if the LCP policies were drafted in a manner that provide an argument to allow a non-resource-dependent use in ESHA. In other words, the Court determined that an LCP cannot be read to allow non-resource-dependent development or use in ESHA, but rather that it must be understood first in terms of Section 30240 requirements, and more broadly that an LCP derives its statutory authority from the Coastal Act, and it must be understood in ways that are Coastal Act consistent, and not in ways that are not consistent with the Act. As a published appellate court decision, that decision requires the Commission to interpret LCPs, including the San Luis Obispo County LCP here, in that way.

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Prior to permitting all new development, a finding shall be made that there are sufficient services to serve the proposed development given the already outstanding commitment to existing lots within the urban service line for which services will be needed consistent with the Resource Management System where applicable. (emphasis added)

CZLUO Section 23.04.430: Availability of Water Supply and Sewage Disposal Services. *A land use permit for new development that requires water or disposal of sewage shall not be approved unless the applicable approval body determines that there is adequate water and sewage disposal capacity available to serve the proposed development, as provided by this section.*

LUP Coastal Watersheds Policy 1: Preservation of Groundwater Basin. *The long-term integrity of groundwater basins within the coastal zone shall be protected. The safe yield of the groundwater basin, including return and retained water, shall not be exceeded except as part of a conjunctive use or resource management program which assures that the biological productivity of aquatic habitats are not significantly adversely impacted.*

LUP Coastal Watersheds Policy 2: Water Extractions. *Extractions, impoundments and other water resource developments shall obtain all necessary county and/or state permits. All pertinent information on these uses (including water conservation opportunities and impacts on in-stream beneficial uses) will be incorporated into the data base for the Resource Management System and shall be supplemented by all available private and public water resources studies available. Groundwater levels and surface flows shall be maintained to ensure that the quality of coastal waters, wetlands and streams is sufficient to provide for optimum populations of marine organisms, and for the protection of human health.*

Thus, the applicable LCP provisions require that development be served by adequate services,⁴ including in terms of water supplies (LUP Public Works Policy 1), and requires development that cannot be so served to be denied (CZLUO Section 23.04.430). The LCP also requires the long-term integrity of groundwater basins to be protected, prohibits extractions or other measures that exceed groundwater basin safe yields, and requires groundwater levels and surface flows to be maintained in such a way as to provide “optimum” habitat conditions (LUP Coastal Watershed Policies 1 and 2).

These overarching LCP requirements are also implemented in Los Osos through EAP Chapter 7, in which Section VI provides additional water supply requirements specific to

⁴ The Commission in its past LCP and CDP actions associated with the San Luis Obispo County LCP has consistently understood “adequate” services in relation to water to mean that a sustainable water supply exists to accommodate new development in a manner that will not lead to adverse coastal resource impacts and applies that understanding again in this case.

development proposed within the Los Osos Urban Reserve Line.⁵ Specifically, Communitywide Standard A (Water Supply) states the following:

*All development within the service area boundaries of public/community water supply systems (i.e., Los Osos Community Services District, Golden State Water Company, and S&T Mutual Water Company) shall connect to such systems, with private wells within such areas prohibited and only allowed outside of such service area boundaries. **Development shall only be approved if it can be served by an identifiable, available, adequate, and long-term sustainable water supply, where this requirement shall be deemed satisfied only if the amount of water pumped from the Los Osos Groundwater Basin is at or below the sustainable yield as defined by the best available science.** ... (emphasis added)*

In short, this policy requires development to be served by a public water system if it is located within the service boundaries of such a system, which is the case here, and only when the source water is in a sustainable state, defined as when the amount of water pumped from the Los Osos groundwater basin is less than its identified sustainable yield. It is the latter question that is most implicated in this appeal, and which is discussed in further detail below.

Analysis

As noted earlier, the Appellant's claim is that (1) there isn't an LCP-compliant water source to serve the County-approved project; and (2) lacking an adequate water supply, the project should be denied. However, the Commission respectfully disagrees with the Appellant's arguments. Indeed, the Commission has evaluated the community's water supply issues in depth over many years, taking a close look at the current best available science as it relates to groundwater health and any coastal resource impacts associated with community groundwater usage, and has determined that there is an adequate and sustainable water supply in Los Osos to serve new development like this County-approved project consistent with the LCP. As the Commission recently determined in its certification of the Los Osos Community Plan in 2024,⁶ the current best available science shows that the groundwater basin is not in fact in overdraft and that there is adequate water to serve a modest amount of new development.⁷

⁵ The Urban Reserve Line, or URL, serves the as the LCP's demarcation for what constitutes the broader Los Osos community. The property in question in this appeal lies within the URL.

⁶ See the Commission's adopted findings regarding the history, challenges, management, and science of the Los Osos groundwater basin and the reasoning for its adequacy and sustainability to support new development at: <https://documents.coastal.ca.gov/reports/2024/6/Th14a/Th14a-6-2024-report.pdf>. The findings of that report are hereby incorporated by reference.

⁷ The Commission also affirmed the finding that there is an adequate water supply to serve new development in Los Osos in six recent CDP/appeal actions: A-3-SLO-24-0024 (for a residential addition) in September 2024; A-3-SLO-23-0014 in March 2025 (for a 10-unit mobile home addition); A-3-SLO-25-0009 (for a new residence); A-3-SLO-25-0010 (for a new residence); A-3-SLO-25-0011 (for a three unit hotel); and A-3-SLO-25-0012 (for a mixed use restaurant and four unit hotel). In all these cases, the same Appellant for this current appeal also appealed the County's approvals of those projects on the same grounds as are being asserted here, but the Commission disagreed, affirming its position that the best available science shows there is an adequate water supply to serve new development in the community consistent with the LCP tests that apply. The Commission declined to take jurisdiction over the CDP

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Specifically, the Los Osos Basin Management Committee (BMC), an entity created to comprehensively manage and monitor water resources to stop overdraft and seawater intrusion, has shown that the community has used less water for several years now than the basin's calculated sustainable/safe yield, defined as the amount of water that can be used without advancing any seawater intrusion and meeting all applicable drinking water standards. In fact, the latest numbers from the BMC's annual report show the community using under 1,700 acre feet per year (AFY) for several years now, below the current identified sustainable yield of 2,000 AFY,⁸ which, by LCP definition means that there is "an identifiable, available, adequate, and long-term sustainable water supply" to serve new development (see EAP Communitywide Standard A (Water Supply) above). The Appellant disagrees, and argues that the basin is not in a sustainable state. Specifically, the Appellant argues that persistently high chloride levels at certain wells is evidence that seawater is at best not improving, and at worst is advancing. Either way, and to be cautious and conservative given the importance of protecting finite water supplies, the Appellant argues that the basin cannot support new development and thus projects like these should be denied.

While not explicitly argued in their appeal, because EAP Communitywide Standard A defines when the basin is sustainable (i.e., when withdrawals are below sustainable yield, as defined by the best available science), then by extension the Appellant is basically suggesting that the best available science dictates that the sustainable yield has been miscalculated, and best available science suggests that it is actually at or below 1,700 AFY. The Commission disagrees.

Commission staff has met both with the Appellant, to better understand their position, as well as with County staff, including discussing the technical data with the County's Department of Groundwater Sustainability. As the Commission is aware from past CDP and appeal actions, high chloride levels at certain wells is not an anomaly but rather something to be expected potentially for decades to come as a legacy of past historic overuse. These wells are monitored to identify trends over time, and are but one of a series of metrics to understand groundwater basin dynamics. But, importantly, these wells' chloride readings are not the arbiter of how the sustainable yield is determined. The BMC defines the sustainable yield as the amount of water that can be pulled from the groundwater basin and still meet two primary metrics: ensure no further inland

applications in all of those cases, finding 'No Substantial Issue' in each case. The Commission also approved two additional CDP applications for new two new single-family residences (A-3-SLO-23-0020 and A-3-SLO-24-0011) in May 2025, where the Appellant also argued in the same manner there. All told, in the roughly year and a half since the Commission approved the Los Osos Community Plan, the current Appellant in this case has appealed six other County actions and opposed the two CDP applications where the Commission had already taken jurisdiction over the CDP applications, in each case proffering the same water supply type of contentions, and in each case to date the Commission has disagreed with the Appellant, and each of the eight projects were allowed to go forward.

⁸ The BMC-identified sustainable yield at the time of the County's action on this LCP was actually 2,380 AFY, based on 2024 data, and thus use was below the sustainable yield at that time. The current BMC-identified sustainable yield is 2000 AFY, which the Appellant argues is an indication that there is inadequate water supply to serve new development like this. However, the sustainable yield is meant to change to the extent best available science suggests that it should change, which is why the number changed for 2026.

advancement of seawater intrusion beyond its inland spatial extent from 2021, and ensure the extracted water meets all applicable drinking water standards. The County observed in its findings when approving this CDP that the amount of water pumped from the basin in 2024 was below the sustainable yield (production was at 1,690 AFY and the BMC-identified sustainable yield was 2,380 AFY). And, more recently, the BMC adjusted its sustainable yield number based on application of a new methodology (that the Appellant has been asking be used) that uses a “transient model”.⁹ The BMC-identified sustainable yield for 2026 is now 2,000 AFY, based on that model, which is still above the community’s water withdrawals. In sum, the “best available science” as identified, quantified, and approved by the BMC shows that community withdrawals are below sustainable yield, and thus the County’s approval appropriately relied on these determinations in finding the project LCP consistent on these points.

Moreover, there aren’t any documented problems with community water extractions having any specific adverse impacts on Los Osos aquatic resources, such as wetlands, streams, or Morro Bay itself. The Commission applies this same understanding to this County-approved project. In short, there is no evidence that this project¹⁰ will result in any significant adverse coastal resource impacts, and in fact the opposite is true in that the best available science, including as articulated by the BMC and affirmed by the Commission in recent LCP and CDP appeal actions, shows the groundwater basin to be within its identified sustainable yield and thus able to accommodate new development like this project consistent with the LCP. The Commission finds that this project does not raise any substantial LCP conformance issues.

Conclusion

When considering a project on appeal, the Commission must first determine whether the project raises a substantial issue of LCP conformity and/or Coastal Act public access conformity such that the Commission should assert jurisdiction over the CDP application for such development. At this stage, the Commission has the discretion to find that the project does or does not raise a substantial issue of Coastal Act public access and/or LCP conformance. Section 13115(c) of the Commission regulations provides that the Commission may consider the following five factors when determining if a local action raises a significant issue: the degree of factual and legal support for the local government’s decision; the extent and scope of the development as approved or denied by the local government; the significance of the coastal resources affected by the decision; the precedential value of the local government’s decision for future interpretations of its LCP; and, whether the appeal raises only local issues as opposed to those of regional or statewide significance. The Commission may, but need not, assign a particular weight to a factor, and may make a substantial issue determination for other reasons as well.

Regarding the first factor (the degree of factual and legal support for the County’s

⁹ A transient model simulates the flow of groundwater conditions that change over time.

¹⁰ The project also received a will-serve letter from Golden State Water Company, which is one of the community water suppliers, that they are ready and able to provide water service to the project. The County’s approval also required compliance with the County’s Title 19 water retrofit program, in which the project must offset its proposed water usage.

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decision), the County based its CDP decision on appropriate evidence (including BMC data that the Commission has also used in past cases) that there is sufficient water available to serve the project in a manner that won't adversely impact coastal resources, and that the proposed development should not be understood as substantially increasing water use in any event due to the proposed retrofits (i.e., the County requires water retrofits that are required to offset all new water use). As such, this factor suggests a finding of no substantial issue.

When considering the second factor (the extent and scope of the development as approved by the County), the extent/scope of the County's approval is fairly small inasmuch as this is one new individual home in a community of almost 15,000 people. Thus, this factor suggests no substantial issue.

Regarding the third factor (the significance of coastal resources affected by the decision), while sustainable water in this area is a significant coastal resource, the Commission has found that the basin yield is sustainable and able to support limited new growth subject to continued monitoring of the basin. The third factor suggests no substantial issue.

Regarding the fourth factor (the precedential value of the County's approval), although any one case is decided on its specific facts and merits, current water usage in the Los Osos Groundwater Basin is within the sustainable yield, and the best available information shows the groundwater basin can support projects of the sort approved here. The County's approval here does not appear to suggest any adverse precedential value, including because the LCP was recently updated in 2024 with new water (and other constraint-related) provisions designed to promote orderly growth, and it is these new provisions – which are quite specific on this issue – that will be applied going forward. The County's approval here is also consistent with the Commission's actions on the last eight projects that this Appellant has appealed and/or opposed that have been before the Commission since the LCP was updated in 2024. This factor also suggests a finding of no substantial issue.

As to the fifth factor, whether the appeal raises only local issues as opposed to those of regional or statewide significance, clearly any project that raises concerns about a community's water supply is a significant regional issue. However, in this case, and as the Commission found in 2024 in the LCP update, the community's water supply is adequate, and this project is not expected to lead to adverse coastal resource impacts. Thus, the fifth factor suggests a finding of no substantial issue.

Accordingly, all of the factors suggest no substantial issue, and thus for the reasons stated above, the Commission finds that Appeal Number A-3-SLO-25-0052 does not present a substantial issue with respect to the grounds on which the appeal has been filed under Section 30603 of the Coastal Act.

3. APPENDICES

A. Substantive File Documents¹¹

- San Luis Obispo County CDP application number C-DRC2021-00014
- LCP-3-SLO-21-0028-1-Part G (Los Osos Community Plan Update)
- 2024 Los Osos Basin Annual Monitoring Report

B. Staff Contacts with Agencies and Groups

- San Luis Obispo County Department of Planning and Building
- San Luis Obispo County Department of Groundwater Sustainability
- Los Osos Sustainability Group

¹¹ These documents are available for review from the Commission's Central Coast District office.