NOTICE OF PREPARATION
DRAFT ENVIRONMENTAL IMPACT REPORT

To:

(Potential Responsible, Trustee, Federal, and Local Agencies and nearby property owners)

From:

City of Arroyo Grande
300 E Branch Street
Arroyo Grande, CA 93420

CEQA LEAD AGENCY:

City of Arroyo Grande
300 E Branch Street
Arroyo Grande, CA 93420
Contact: Andrew Perez, Planning Manager
Phone: (805) 473-5425
Email: aperez@arroyogrande.org

Subject: **Notice of Preparation of an Environmental Impact Report for Arroyo Grande Community Hospital Rehabilitation Hospital Project and Opportunity for Public Comment**

In accordance with the California Environmental Quality Act (CEQA), the City of Arroyo Grande (City), as Lead Agency, has prepared a Notice of Preparation (NOP) for the project identified below. The purpose and intent of the NOP is to solicit information on the scope of the environmental analysis for the proposed project and to notify public agencies and the public that the City will prepare an Environmental Impact Report (EIR) to further assess potential adverse environmental impacts that may result from implementation of the proposed project.

The City wants to know the views of your agency as to the scope and content of the environmental information that is germane to your agency's statutory responsibilities in connection with the proposed project. As a responsible or trustee agency, your agency may need to use and rely on the EIR prepared by the City when considering your permit or other approval for the project. The City also wants to know the issues of concern to the public and nearby property owners. Information gathered during the NOP comment period will be used to inform and focus future analyses of environmental impacts.

Due to the time limits mandated by State of California law, your response must be sent at the earliest possible date. For responsible agencies, this is not later than 30 days after receipt of this notice. For other agencies and organizations, and members of the public, not later than 30 days following publication of this NOP. The 30-day review period begins August 20, 2026, and ends September 21, 2026. Please send any comments relative to the CEQA analysis to the project

manager, Andrew Perez, at the contact information shown above. Please provide the name and phone number for the contact person in your agency.

The City will hold a public EIR scoping meeting in-person and via video conference to provide an opportunity for agency staff and interested members of the public to submit verbal comments on the scope of the environmental issues to be addressed in the EIR. The scoping meeting will be held on September 2, 2026, at 5:00 PM in the City Council Chambers located at 214 E. Branch Street.

Please join the meeting via Zoom: select "Join a Meeting" and enter Webinar ID 814 5234 5420 (direct link: https://arroyogrande-org.zoom.us/webinar/register/WN_wSQ2Ll4PQ0Gx7IG1Ysf4hw). Registration is required in advance.

The purpose of this scoping meeting is to share information regarding the proposed project and environmental review process, and to receive comments regarding the scope and content of the environmental analysis to be addressed in the EIR.

The project description, location, and probable environmental effects are described in the attached Initial Study. The NOP and Initial Study can be viewed on the City's website and at City Hall, located at 300 E. Branch Street, between the hours of 8:00am and 5:00pm Monday through Thursday and 8:00am to 12:00pm on Fridays.

The City appreciates your attention to this NOP.

Project Title: Arroyo Grande Community Hospital Rehabilitation Hospital Project

Project Applicant: Dignity Health and LifePoint Health

Project Location: 345 S Halcyon Road
Assessor's Parcels Numbers (APNs): 006-391-046, 006-391-047, 006-391-048, and 006-391-049

Date: 8/20/2026

Signature: 

Andrew Perez, Planning Manager

INITIAL STUDY



Arroyo Grande Community Hospital Rehabilitation Hospital Project
City of Arroyo Grande, County of San Luis Obispo, California

August 2026

Project: Arroyo Grande Community Hospital Rehabilitation Hospital Project

Lead Agency: City of Arroyo Grande

Document Availability:

- City of Arroyo Grande
  Community Development Department
  300 East Branch Street
  Arroyo Grande, CA 93420

- http://www.arroyogrande.org/

Project Description:

The project proposes the development of a new rehabilitation hospital on a 3.7-acres, which are part of the larger 9.7-acre Arroyo Grande Community Hospital campus. The facility will provide 52 patient beds and will be constructed in two phases. The project includes site grading and improvements, new parking areas, and utility upgrades. The new hospital will be a two-story building with patient care areas, support services, and administrative spaces. Access, circulation, and parking will be reconfigured to support the new facility, and the design will complement the surrounding medical campus.

Summary Document Preparation:

Pursuant to Section 21082.1 of Public Resources Code, the City of Arroyo Grande (the City) has independently reviewed and analyzed the Initial Study for the proposed project and finds that these documents reflect the independent judgment of the City.

_____ _____

Prepared by: Brandi Cummings, Project Manager Date
SWCA Environmental Consultants

_____ _____

Reviewed by: Andrew Perez Date
Planning Manager

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1. Introduction

Introduction and Regulatory Guidance

This Initial Study has been prepared by the City of Arroyo Grande (City) to refine the scope of future environmental analysis for Arroyo Grande Community Hospital Rehabilitation Hospital Project (project). An Initial Study is conducted by a lead agency to determine if a project may have a significant effect on the environment (State California Environmental Quality Act [CEQA] Guidelines §15063). If there is substantial evidence that a project may have a significant effect on the environment, an Environmental Impact Report (EIR) must be prepared, in accordance with State CEQA Guidelines §15064(a). The City has identified that an EIR must be prepared to assess environmental impacts that may result from implementation of the proposed project. This document has been prepared in accordance with CEQA, Public Resources Code §21000 et seq., and the State CEQA Guidelines, California Code of Regulations (CCR) §15000 et seq.

Lead Agency

The lead agency is the public agency with primary approval authority over the proposed project. In accordance with State CEQA Guidelines §15051(b)(1), "the lead agency will normally be an agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose." The lead agency for the proposed project is the City of Arroyo Grande. The contact person for the lead agency is:

Andrew Perez, Planning Manager
City of Arroyo Grande
300 E. Branch Street
Arroyo Grande, CA 93420

T: (805) 473-5425
E: aperez@arroyogrande.org

Purpose and Document Organization

This Initial Study lists those issues that will require detailed analysis and technical studies that will need to be evaluated and/or prepared as part of the EIR. The EIR will consider potential environmental effects of the proposed project to determine the level of significance of the environmental effect and will analyze these potential effects to the detail necessary to make a determination on the level of significance. Those environmental issues the City has determined to have no reasonable possibility of being adversely impacted by the project or for which the project's impacts would clearly be less than significant based on substantial evidence presented herein will not be discussed further in the EIR.

This document is organized as follows:

1. Introduction – This chapter provides an introduction to the project and describes the purpose and organization of this document.
2. Project Description – This chapter describes the background and scope of the project, all proposed project components, and identifies project objectives.
3. Environmental Checklist – This chapter summarizes the project and the environmental issues to be considered and describes the process for evaluation of environmental impacts.

4. Environmental Setting, Potential Impacts – This chapter explains the environmental setting for each environmental issue area, identifies the significance of potential environmental impacts, and evaluates the potential impacts identified in the CEQA Environmental (Initial Study) Checklist.
5. References – This chapter identifies the references and sources used in the preparation of this Initial Study.

Summary of Findings

Chapter 3 of this document contains the Environmental (Initial Study) Checklist that identifies the potential environmental impacts (by environmental issue) and contains a brief discussion of each potential impact that would result from implementation of the proposed project.

In accordance with §15064(a) of the State CEQA Guidelines, an EIR shall be prepared if the proposed project may have a significant effect on the environment. Based on the available project information and the environmental analysis presented in this document, there is substantial evidence that the proposed project may have a significant effect on the environment. It is proposed that an EIR be prepared and certified in accordance with the State CEQA Guidelines.

2. Project Description

Dignity Health and LifePoint Health (Applicant) requests entitlements to facilitate the development of an approximately 3.7-acres of the project site located in the southern portion of the city of Arroyo Grande (city, or Arroyo Grande), including construction and operation of a new rehabilitation hospital (Dignity Health Central Coast Rehabilitation Hospital) at the existing Arroyo Grande Community Hospital campus (hereafter, the "project"). Requested project components and entitlements are described in further detail below.

Exiting Uses

The Arroyo Grande Community Hospital opened in 1962 and has been operating continuously ever since. Originally opened as a 30-bed facility, the hospital has grown over the years and now includes 65 beds and 20 treatment rooms in the emergency department (Dignity Health 2023). The hospital operates as a general, acute care, medical-surgical facility and primarily serves residents in the Five Cities[1] area. The hospital employs doctors, nurses, and support staff, and is open 24 hours a day, year-round. Available services include emergency care, cancer care, general surgery, ultrasound and computerized tomography (CT imaging), laboratory services, neurologic care, orthopedic services, physical therapy, occupational therapy, respiratory therapy, and speech therapy, as well as home health and hospice services (City of Arroyo Grande 2024).

The existing Arroyo Grande Community Hospital campus is approximately 9.7 acres in area and consists of four legal parcels (APNs): 006-391-046, 006-391-047 (portion)[2], 006-391-048, and 006-391-049. Existing development onsite consists of the one-story Arroyo Grande Community Hospital, the one-story administration annex building, and surface parking lots that surround the buildings.

The project site consists of vacant land on the north side of the Arroyo Grande Community Hospital campus, which currently is utilized as unimproved overflow parking, providing approximately 50 spaces, and the site of the existing hospital which will be used for the primary access to the proposed rehabilitation hospital. The topography of the project site is gently sloping to the southwest.

Project Location

The Arroyo Grande Community Hospital campus and proposed rehabilitation hospital are located within the city of Arroyo Grande, San Luis Obispo County, California, approximately 3,000 feet south of the U.S. Route 101 (US 101) and Halcyon Road interchange. The address of the Arroyo Grande Community Hospital is 345 South Halcyon Road, Arroyo Grande, California. The project site includes APNs 006-391-046, 006-391-047 (portion), 006-391-048, and 006-391-049. APNs -048 and -049 and the portion of -047 are mostly undeveloped with an unimproved gravel overflow parking lot running through the center. The other parcel is currently developed with the existing hospital (-046) and is largely paved/impervious. Surrounding land uses consist of medical offices, residences, Harloe Elementary School, and Woodland Park. The project vicinity and location are illustrated in Figures 1 and 2.

[1] The Five Cities include Arroyo Grande, Shell Beach, Pismo Beach, Grover Beach, and Oceano.

[2] A separate lot line adjustment is being processed to adjust the parcel lines between APN 006-391-047 and 006-391-048.

Figure 1. Project Vicinity Map

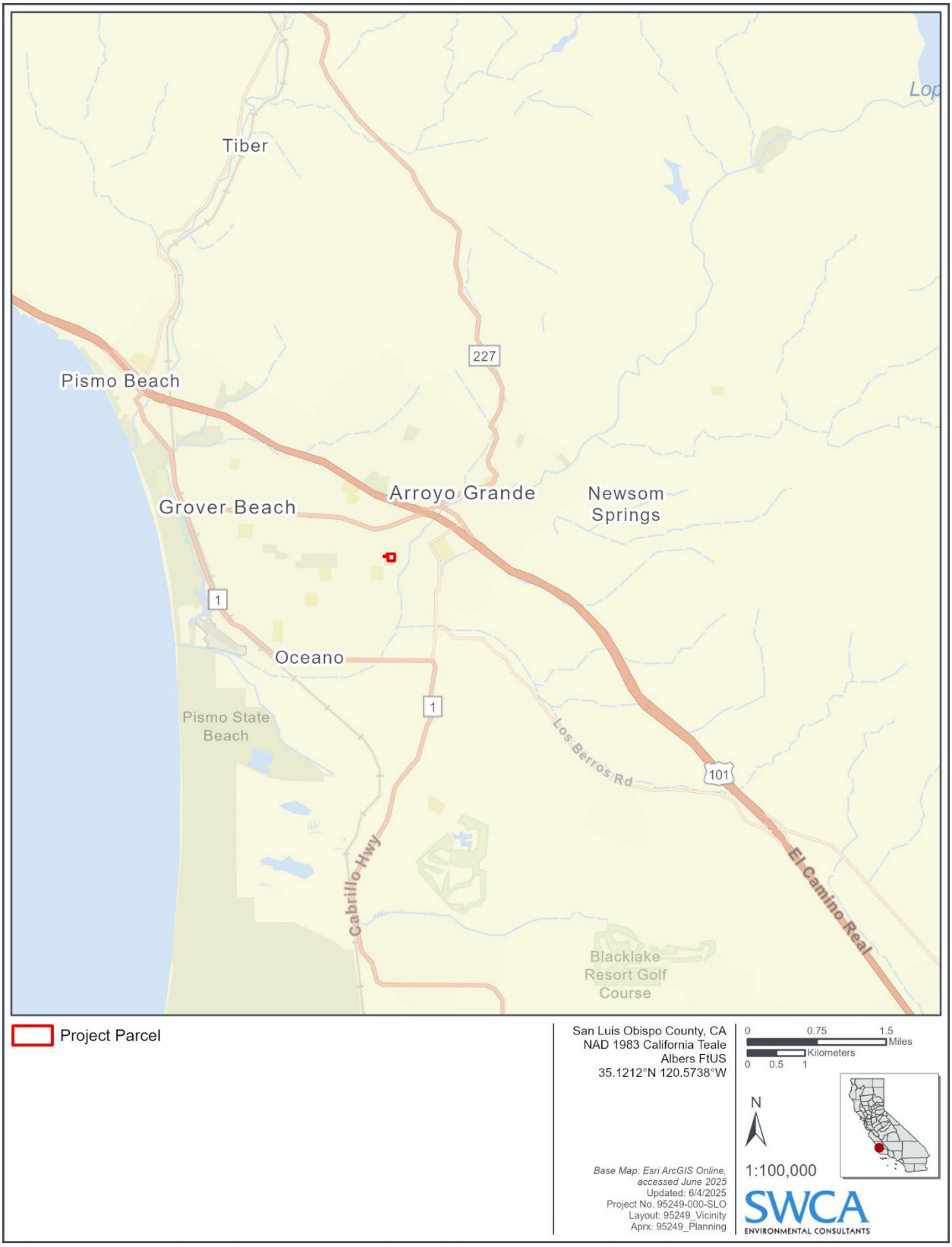


Figure 2. Project Location Map

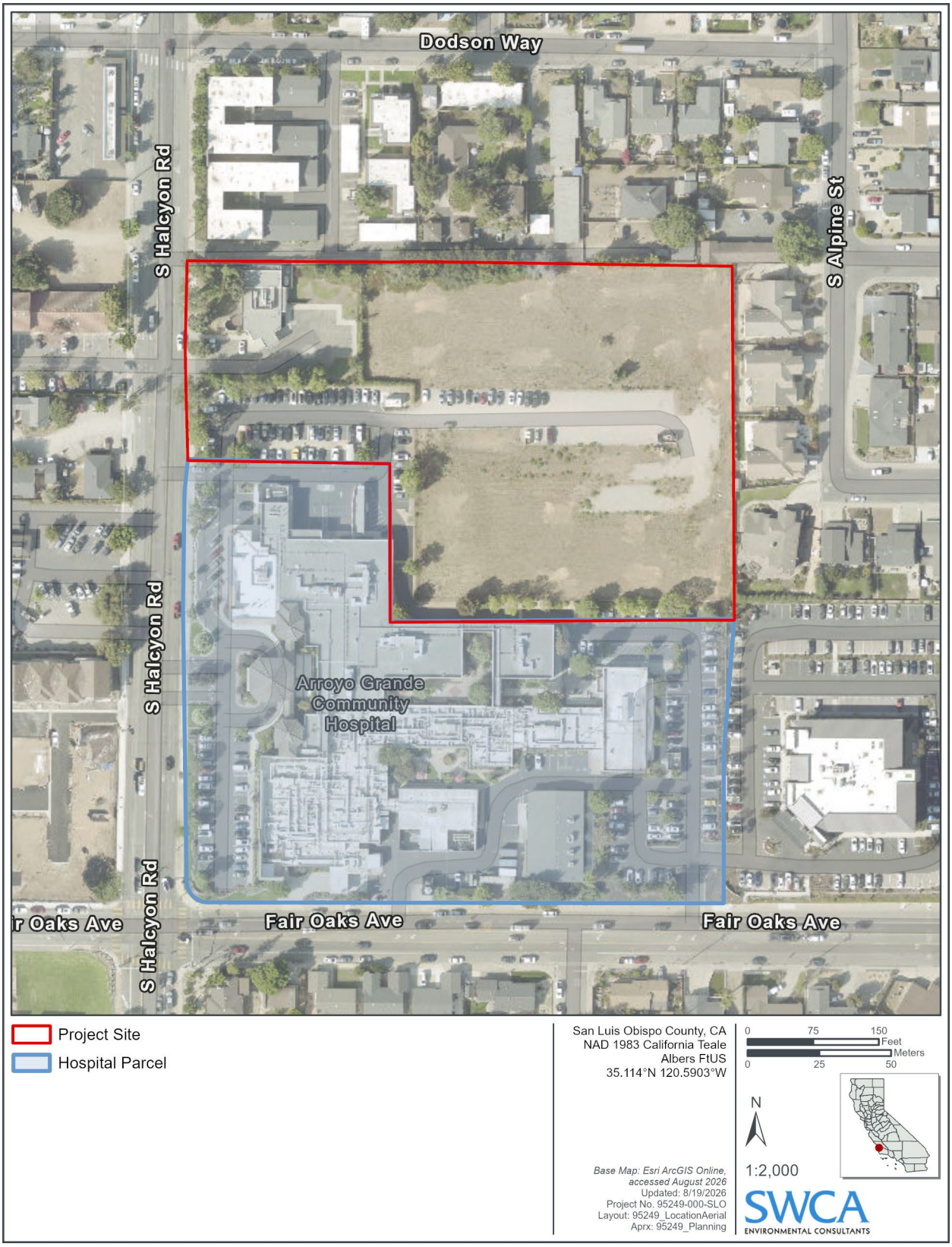
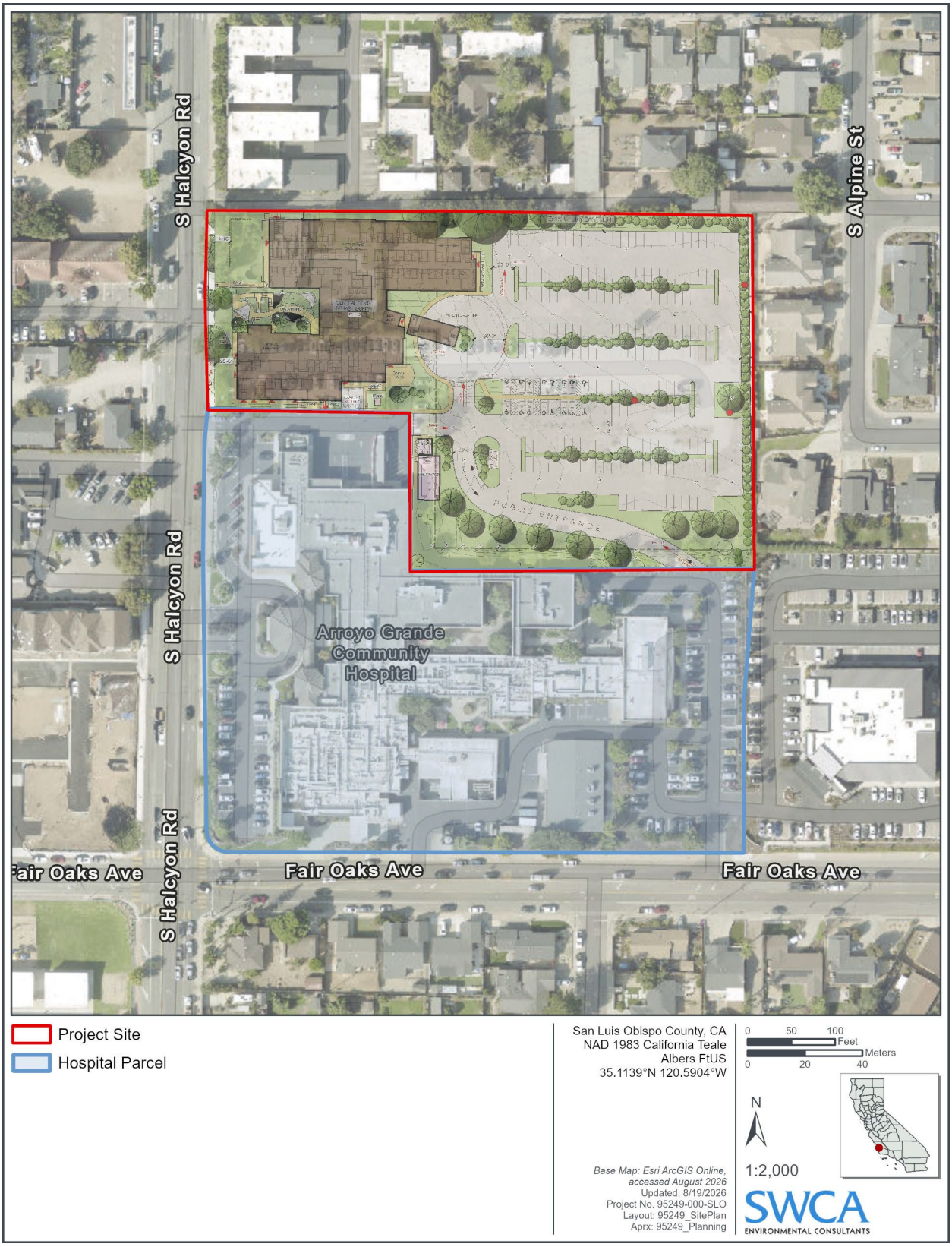


Figure 3. Project Site Plan



Project Characteristics

The project proposes the development of a 9.7-acre project site to allow for the construction of the rehabilitation hospital. The project applicant is seeking entitlements for Conditional Use Permit.

The project would involve the development of a 52-bed facility. Construction would consist of grading and site improvements over the entire project site, installation of utilities and infrastructure over the entire project site, parking, and construction of the 52-bed rehabilitation hospital, including support amenities such as the lobby and dining areas. The project would result in an increase of approximately 78 employees on-site distributed between two 12-hour shifts.

The proposed rehabilitation hospital is proposed as a single two-story building, approximately 34-feet in height, adjacent to the existing Arroyo Grande Community Hospital campus. The rehabilitation hospital would have 67,900-square-feet of interior space and include 52 new patient beds. The building would include a lobby, a front desk, administrative area dining area, dry storage rooms, staff lounge, restrooms, electrical storage rooms, physical and speech therapy areas, prayer/meditation room, and patient rooms. A backup generator will also be installed to supply power to the facility during outages.

The building is designed primarily in two wings, generally rectangular in shape. The patient wing would be located on the north side of the building and would be connected to the rehabilitation wing on the south side by administrative uses on the first floor. The second floor would be primarily patient rooms with a small administrative area for hospital staff. The primary entrance would be located on the west side, with a patient drop-off driveway and porte-cochere adjacent to parking. A courtyard is proposed on the eastern side, which provides access to the building from Halcyon Road. The exterior of the building would consist primarily of a stucco color with grey and brick red accent panels, generally complimentary in design to the adjacent Arroyo Grande Community Hospital and Matthew Will Memorial Medical Center buildings. The building would include roof-mounted heating, ventilation, and air conditioning (HVAC) equipment, which would be visually screened from view with horizontal metal panels.

On-Site Circulation and Parking

The project would remove the 50 temporary overflow parking spaces currently located on the project site and 130 parking spaces on the Arroyo Grande Community Hospital campus to allow for the construction of the rehabilitation hospital, internal access and circulation, and the construction of 259 new parking spaces.

Primary vehicle access in and out of the facility would be from an existing driveway on South Halcyon Road, between the Arroyo Grande Community Hospital and the existing Halcyon Laser and Surgery Center. The vehicle access drive on the main hospital campus (APN 006-391-046) would be rerouted to allow for better circulation internally, and to provide access to Fair Oaks Avenue. Other vehicle access to the facility would be available from within existing hospital parking areas.

Utilities, Grading, and Site Improvements

A new pad-mounted transformer would also be installed at the ground level near the southwest corner of the new facility and would be screened by proposed landscape plantings. New connections to existing water and wastewater lines from S. Halcyon Road would also be installed to serve the new facility. Overhead utility lines along the frontage along S. Halcyon Road would be undergrounded as part of the project.

Construction Schedule

Construction of the project, which includes the new facility, parking lot, landscaping, utilities, and associated sitework, is expected to last approximately 24 months.

Construction Access

Vehicular access for construction personnel to the project site would come from both S. Halcyon Road and Fair Oaks Avenue. Heavy equipment access for import and export of soil would primarily occur via Halcyon Road to US 101.

Operation

The proposed project will focus on acute rehabilitation and recovery for patients who suffer from stroke, traumatic brain injury, orthopedic issues and other injuries and disorders. Features will include a brain injury unit, physical therapy gymnasiums outfitted with the latest therapeutic technologies such as augmented reality balance training and therapy bionics, and an outdoor therapy garden with amenities designed to give patients the opportunity to work through activities of daily living. The proposed facility will expand the current 20-bed Acute Rehabilitation Center within AGCH and offer advanced treatment options and technology for patients.

Project Entitlements

Per Table 16.36.030(A) of the City's Development Code, the project is considered a Medical-hospital use and requires a Conditional Use Permit to establish the land use in the Office Mixed-Use zone.

Other Required Public Agency Approvals

Project construction and implementation would require the Applicant to obtain permits and other forms of approval from various federal and state agencies. These authorizations may be issued in the form of regulatory permits, agreements, or other forms of environmental review or approval. Authorizations will likely include numerous requirements for environmental compliance, which will be enforced through construction monitoring, documentation, and reporting. As proposed, the project is expected to require authorizations/permits from the following agencies:

Table 1. Agency Permits/Authorizations

Responsible Agency	Applicable Permit or Authorization
City of Arroyo Grande	CEQA Lead Agency Environmental Clearance/Certification
State Water Resources Control Board (SWRCB)/ Regional Water Quality Control Board (RWQCB)	Clean Water Act §401 Water Quality Certification
San Luis Obispo County Air Pollution Control District (APCD)	Permit to Operate
San Luis Obispo County Environmental Health Services	Permits for hazardous waste generation

Related Projects

The proposed project is not related to any other recent, present, or future planned projects.

3. Environmental Checklist

Project Information

Project Title:	Arroyo Grande Community Hospital Rehabilitation Hospital Project
Lead Agency Name & Address:	City of Arroyo Grande 300 East Branch Street Arroyo Grande, CA 93420
Contact Person & Telephone Number:	Andrew Perez, Planning Manager (805) 473-5425
Project Location:	303 and 345 South Halcyon Road, Arroyo Grande, California
Project Sponsor Names & Addresses:	Dignity Health and LifePoint Health 185 Berry St, Suite 300 San Francisco, CA 94107
General Plan Designation:	Office Professional
Zoning:	Office-Mixed Use with Design Development Overlay District 2.20: Medical Mixed Use
Description of Project:	52-bed rehabilitation hospital at the existing Arroyo Grande Community Hospital campus and 303 S. Halcyon Road
Surrounding Land Uses & Setting:	Medical offices, single- and multi-family residential, Harloe Elementary, Woodland Park, agriculture
Approval Required from Other Public Agencies:	SWRCB/RWQCB, APCD

Environmental Factors Potentially Affected

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact," as indicated by the checklist on the following pages:

☐ Aesthetics	☐ Agricultural Resources	☒ Air Quality
☒ Biological Resources	☒ Cultural Resources	☐ Energy
☐ Geology and Soils	☐ Greenhouse Gas Emissions	☐ Hazards and Hazardous Materials
☐ Hydrology and Water Quality	☐ Land Use and Planning	☐ Mineral Resources
☒ Noise	☐ Population and Housing	☐ Public Services
☐ Recreation	☐ Transportation	☒ Tribal Cultural Resources
☐ Utilities/Service Systems	☐ Wildfire	

Determination

On the basis of this initial evaluation:

☐ I find that the proposed project **COULD NOT** have a significant effect on the environment and a **NEGATIVE DECLARATION** will be prepared.

☐ I find that, although the original scope of the proposed project **COULD** have a significant effect on the environment, there **WILL NOT** be a significant effect because revisions/mitigations to the project have been made by or agreed to by the applicant. A **MITIGATED NEGATIVE DECLARATION** will be prepared.

☒ I find that the proposed project **MAY** have a significant effect on the environment and an **ENVIRONMENTAL IMPACT REPORT** or its functional equivalent will be prepared.

☐ I find that the proposed project **MAY** have a "potentially significant impact" or "potentially significant unless mitigated impact" on the environment. However, at least one impact has been adequately analyzed in an earlier document, pursuant to applicable legal standards, and has been addressed by mitigation measures based on the earlier analysis, as described in the report's attachments. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the impacts not sufficiently addressed in previous documents.

☐ I find that, although the proposed project could have had a significant effect on the environment, because all potentially significant effects have been adequately analyzed in an earlier EIR or Negative Declaration, pursuant to applicable standards, and have been avoided or mitigated, pursuant to an earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project, all impacts have been avoided or mitigated to a less-than-significant level and no further action is required.

_____ _____

Andrew Perez Date
Planning Manager

Evaluation of Environmental Impacts

1. A brief explanation, adequately supported by the information sources cited, is required for all answers, except "No Impact." A "No Impact" answer is adequately supported if the referenced information sources show that the impact does not apply to the project being evaluated (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on general or project-specific factors (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must consider the whole of the project-related effects, both direct and indirect, including off-site, cumulative, construction, and operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, the checklist answers must indicate whether that impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate when there is sufficient evidence that a substantial or potentially substantial adverse change may occur in any of the physical conditions within the area affected by the project that cannot be mitigated below a level of significance. If there are one or more "Potentially Significant Impact" entries, an Environmental Impact Report (EIR) is required.
4. A "Mitigated Negative Declaration" (Negative Declaration: Less Than Significant with Mitigation Incorporated) applies where the incorporation of mitigation measures, prior to declaration of project approval, has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact with Mitigation." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level.
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR (including a General Plan) or Negative Declaration [CCR, Guidelines for the Implementation of CEQA, § 15063(c)(3)(D)]. References to an earlier analysis should:
    a) Identify the earlier analysis and state where it is available for review.
    b) Indicate which effects from the environmental checklist were adequately analyzed in the earlier document, pursuant to applicable legal standards, and whether these effects were adequately addressed by mitigation measures included in that analysis.
    c) Describe the mitigation measures in this document that were incorporated or refined from the earlier document and indicate to what extent they address site-specific conditions for this project.
6. Lead agencies are encouraged to incorporate references to information sources for potential impacts into the checklist or appendix (e.g., general plans, zoning ordinances, biological assessments). Reference to a previously prepared or outside document should include an indication of the page or pages where the statement is substantiated.
7. A source list should be appended to this document. Sources used or individuals contacted should be listed in the source list and cited in the discussion.
8. Explanation(s) of each issue should identify:
    a) the criteria or threshold, if any, used to evaluate the significance of the impact addressed by each question; and,

b) the mitigation measures, if any, prescribed to reduce the impact below the level of significance.

4. Environmental Issues

I. Aesthetics

Environmental Setting

Arroyo Grande is characterized by a mix of urban, suburban, and rural landscapes, with the historic Village of Arroyo Grande serving as a focal point. The region is known for its rolling hills, agricultural lands, coastal terraces, and proximity to the Pacific Ocean. The climate is Mediterranean, with mild, wet winters and warm, dry summers, supporting a variety of vegetation types that contribute to the area's scenic quality.

The central portion of Arroyo Grande consists of established neighborhoods, commercial corridors, and civic facilities. The Village area retains a historic, small-town character with preserved architectural styles, mature street trees, and pedestrian-friendly streetscapes. Residential neighborhoods feature a range of architectural styles, including Craftsman, Spanish Revival, and contemporary designs, with landscaping that includes both native and ornamental species. Surrounding the urban core are expanses of agricultural land, including vineyards, row crops, and orchards. These open spaces provide a rural visual character and contribute to the area's sense of openness and connection to the region's agricultural heritage.

Arroyo Grande Creek and its associated riparian corridor traverse the city, providing a natural visual amenity and supporting native vegetation. The city is also framed by low hills and ridgelines, with distant views of the Santa Lucia Mountains to the north and east. Open space areas and parklands, such as Strother Park and Rancho Grande Park, offer scenic resources and public viewpoints.

The project site is located within the Design Development Overlay District 2.20: Medical Mixed Use. This overlay district is meant to provide for the orderly development of the Arroyo Grande Community Hospital and nearby medical facilities. There are no design guidelines related to building aesthetics associated with this overlay.

Existing visual resources in the project area include views of the Arroyo Grande Creek riparian corridor, which is not visible through the project site, and brief glimpses of hilltops to the east.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☒
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☒
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	☐	☒	☐
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☒	☐

Discussion

a) For purposes of determining significance under CEQA, a scenic vista is defined as a viewpoint that provides expansive views of a highly valued landscape for the benefit of the general public. The project site is accessed from Halcyon Road and the Arroyo Grande Community Hospital Campus is on the corner of Halcyon Road and Fair Oaks Avenue. Views from the areas surrounding the project site are not expansive and are generally of the surrounding urban development, single- and two-story buildings, typical of city landscapes. There are no scenic vistas viewed from the vicinity of the project site and there will be no impacts to scenic vistas. This topic area will not be evaluated further in the EIR.

b) The project site is located approximately 2,800 feet southwest of U.S. Route 101 (US 101), which is an eligible but not listed scenic highway (Caltrans 2019). However, project activities would not be within the viewshed of eligible state scenic highways due to intervening development and topography. There would be no impacts to scenic resources within a state scenic highway, and this topic area will not be evaluated further in the EIR.

c) The project is located in an urbanized area or Arroyo Grande where visual quality is dominated by the existing Arroyo Grande Community Hospital, other medical facilities, urban development, and road infrastructure. The project site is visible through existing development from Halcyon Road and Fair Oaks Avenue, both of which experience high levels of vehicular and pedestrian traffic.

Short-term construction activities would create temporary visual impacts in the project area due to the presence of construction equipment, earthwork activities, detour signage, etc. However, these impacts would be temporary in nature and limited to the construction period. The proposed rehabilitation hospital would be two-stories in height, consistent with other development in the vicinity and compliant with the development standards for the Office-Mixed Use zoning district. The building's exterior would consist primarily of a neutral stucco color with grey and brick red accent panels, generally complimentary in design to the adjacent Arroyo Grande Community Hospital and the adjacent Matthew Will Memorial Medical Center building. The building would include roof-mounted heating, ventilation, and air conditioning (HVAC) equipment, which would be visually screened from view with horizontal metal panels. The project would not introduce features that substantially contrast with the existing visual character or quality of the site and its surroundings.

The project does not have the potential to substantially degrade the existing visual character or quality of public views of the site and its surroundings. Impacts to the existing visual character or quality of the site and its surroundings will therefore be less than significant and this topic area will not be evaluated in the EIR.

d) The project would include new exterior lighting throughout the site, including at building entrances, parking areas, the generator yard, and along main walkways. These lighting components have the potential to create new sources of illumination that could affect nighttime views in the area. However, all exterior lighting would be required to comply with the City's Development Code Section 16.48.090, which mandates that non-residential lighting be shielded, directed away from adjacent residential uses, and not exceed 0.5 footcandles of illumination at the property line. Compliance with these requirements is enforced through project conditions of approval.

With compliance of City requirements, the project would not create a new source of substantial light or glare which would adversely affect day or nighttime views in the area. Impacts to day or nighttime views in the area will therefore be less than significant and this topic area will not be evaluated in the EIR.

Conclusion

The project would include demolition and removal of the existing structure on-site and construction and operation of a new detached hospital. The project would not result in potentially significant impacts associated with effects on a scenic vista, degradation of the existing character or quality of views of the site or its surroundings, and light and glare. Therefore, this resource area will not be evaluated further in the EIR.

II. Agriculture and Forestry Resources

Environmental Setting

Agriculture is a significant land use in and around Arroyo Grande. The area contains a mix of row crops, vineyards, and orchards, as well as supporting infrastructure such as barns and irrigation systems. These agricultural operations are an important part of the local economy and contribute to the region's open space and rural character. The project site is surrounded immediately by urban uses, with agricultural row crops located less than 1,000 feet to the east.

The U.S. Department of Agriculture Natural Resources Conservation Service (NRCS) classifies agricultural lands into five categories: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, Farmland of Local Importance, and Farmland of Local Potential. Non-farmlands are classified as Grazing Land, Urban and Built-Up Land, Other Land, or Water. The project site is classified as "Urban and Built-Up Land" based on the California Department of Conservation's (CDOC) Farmland Mapping and Monitoring Program (FMMP) Important Farmland Map (CDOC 2022b).

The Agriculture, Conservation, and Open Space Element of the City's General Plan identifies the importance of avoiding and/or mitigating for the loss of prime farmland soils and of conserving non-prime agriculture uses and natural resource lands. The City's policies also recognize the importance of allocation and conservation of ground and surface water resources for agricultural uses and the need to minimize potential urban and fringe area development that would divert such resources away from agricultural uses.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☒
b) Conflict with existing zoning for agricultural use or a Williamson Act contract?	☐	☐	☒

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220)g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☒
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☒
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use?	☐	☒	☐

** In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997), prepared by the California Department of Conservation as an optional model for use in assessing impacts on agricultural and farmland.*

Discussion

a) The project site is designated entirely as Urban and Built Up Land per the FMMP. The project site does not contain any Prime Farmland, Unique Farmland, or Farmland of Statewide or Local Importance; no direct effect on these resources would occur. There are no active agricultural lands within the project site and no direct conversion of agricultural land would occur as a result of the project.

There would be no impact because the project would not convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland) to non-agricultural use and this topic area will not be evaluated further in the EIR.

b) The project site has a land use designation of Office Professional and a zoning designation of Office-Mixed Use, and the proposed project would not conflict with existing zoning for agricultural use. The project site is not subject to a Williamson Act contract or agricultural preserve program. The nearest land subject to a Williamson Act contract or agricultural preserve program is located approximately 1,700 feet southeast of the project site (CDOC 2022a). Due to the distance of any proximate Williamson Act contracted lands or agricultural preserves, the project would not conflict with or indirectly affect lands subject to an agricultural preserve program.

There would be no impact because the project would not conflict with existing zoning for agricultural use or a Williamson Act contract and this topic area will not be evaluated further in the EIR.

c, d) There is no forestland or timberland on the project site. The project would not result in the loss of forest land or conversion of forest land to non-forest use. There will be no impact and this topic area will not be evaluated further in the EIR.

e) Agricultural uses are located approximately 700 east of the easternmost portion of the project (access driveway on Fair Oaks Avenue). Due to increasing residential, commercial, and other development near agricultural lands throughout the state, there has been an increase in

incompatible land use caused by limitations on pesticide use, nuisance complaints due to dust and odor, vandalism, increased traffic, etc. These incompatible land uses, along with speculative land value increases, have resulted in pressure to encourage additional conversions of agricultural land. The project would not convert or change the zoning of agricultural lands to non-agricultural uses and would not extend utilities of infrastructure to adjacent agricultural lands.

The project would not result in other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use and this topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts on agricultural resources were identified; therefore, this resource area will not be evaluated further in the EIR.

III. Air Quality

Environmental Setting

San Luis Obispo County (county) is part of the South Central Coast Air Basin, which also includes Santa Barbara and Ventura Counties. The climate of the basin area is strongly influenced by its proximity to the Pacific Ocean. Airflow around and within the basin plays an important role in the movement and dispersion of pollutants. The speed and direction of local winds are controlled by the location and strength of the Pacific high pressure system and other global weather patterns, topographical factors, and circulation patterns that result from temperature differences between the land and the sea.

The county's air quality is measured by multiple ambient air quality monitoring stations, including four San Luis Obispo Air Pollution Control District (SLOAPCD)-operated permanent stations, two state-operated permanent stations, two special stations, and one station operated by Tosco Oil Refinery for monitoring Sulfur Dioxide (SO_2) emissions. San Luis Obispo County is in non-attainment status for ozone (O_3), respirable particulate matter (PM_{10}) and vinyl chloride under the California Air Resource Board (CARB) standards. The county is in attainment status for all other applicable CARB standards.

Some land uses are considered more sensitive to changes in air quality than others, depending on the population groups and the activities involved. The CARB has identified the following typical groups who are most likely to be affected by air pollution: children under 14 years of age, the elderly over 65 years of age, athletes, and people with cardiovascular and chronic respiratory diseases. Sensitive receptors include residences, schools, playgrounds, childcare centers, athletic facilities, long-term health care facilities, rehabilitation centers, convalescent centers, and retirement homes. Sensitive receptors near the project site include nearby residences, Woodland Park, Harloe Elementary School, and medical facilities, including the Arroyo Grande Community Hospital, where elderly people and people with cardiovascular and chronic respiratory diseases may be present.

SLOAPCD has developed a CEQA Air Quality Handbook (SLOAPCD 2023) to evaluate project-specific impacts and help determine if air quality mitigation measures are needed, or if potentially significant impacts could result. To evaluate long-term emissions, cumulative effects, and establish countywide programs to reach acceptable air quality levels, the SLOAPCD has prepared and adopted a Clean Air Plan.

The SLOAPCD's *2001 Clean Air Plan* (2001 CAP) addresses the attainment and maintenance of federal and state ambient air quality standards. The 2001 CAP outlines the SLOAPCD's strategies to reduce ozone-

precursor pollutants (i.e., ROG and NO_x) from a wide variety of sources. The 2001 CAP includes a stationary-source control program, which includes control measures for permitted stationary sources, as well as transportation and land use management strategies to reduce motor vehicle emissions and use. The stationary-source control program is administered by SLOAPCD. Transportation and land use control measures are implemented at the regional or local level by promoting and facilitating the use of alternative transportation options, increased pedestrian access and accessibility to community services and local destinations, reductions in vehicle miles traveled (VMT), and promotion of congestion management efforts.

The project site is not within an area identified as having potential for Naturally Occurring Asbestos (NOA) to occur based on the APCD's NOA Map (SLOAPCD 2025).

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	☒	☐	☐
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	☒	☐	☐
c) Expose sensitive receptors to substantial pollutant concentrations?	☒	☐	☐
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people.?	☐	☒	☐

** Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied on to make these determinations.*

Discussion

a) – c) The project has the potential to be inconsistent with the air quality goals and/or objectives of the SLOAPCD CEQA Air Quality Handbook and other applicable air quality plans. Future construction activities would result in temporary air pollutant emissions, including ozone precursors and fugitive dust that have the potential to exceed SLOAPCD thresholds for construction-related emissions and within proximity of sensitive receptors. In addition, the project would generate additional vehicle trips to and from the project site, which could increase long-term operational emissions. The project also has the potential to result in other emissions as a result of demolition which could release asbestos-containing material.

The project has the potential to conflict with or obstruct implementation of the applicable air quality plan, result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard, and expose sensitive receptors to substantial pollutant concentrations and these topic areas will be evaluated further in the EIR.

d) The occurrence and severity of odor impacts depend on numerous factors, including the nature, frequency, and intensity of the source; meteorological conditions such as wind speed and direction; and the proximity and sensitivity of the receptors. Projects with the potential to frequently expose members of the public to objectionable odors would be deemed to have a significant impact. The proposed project would not result in the installation of any equipment or

processes that would be considered major odor-emission sources, such as wastewater treatment, composting, or food processing. Additionally, there are no known odor sources within one mile of the project site. Construction of the proposed project would involve the use of a variety of gasoline or diesel-powered equipment that would emit exhaust fumes. Exhaust fumes, particularly diesel-exhaust, may be considered objectionable by some people. In addition, pavement coatings and architectural coatings used during project construction would also emit temporary odors. However, construction-generated emissions would occur intermittently throughout the workday and would dissipate rapidly with increasing distance from the source. As a result, short-term construction activities would not expose a substantial number of people to frequent odorous emissions.

Therefore, the project would not result in other emissions (such as those leading to odors) adversely affecting a substantial number of people and this topic area will not be evaluated further in the EIR.

Conclusion

The project has the potential to result in significant impacts related to construction and operational air pollutant emissions, potential conflicts with applicable air quality plans, and exposure of sensitive receptors to pollutant concentrations. These air quality topic areas will be evaluated further in the EIR. However, the project would not result in significant odor impacts, as it does not include major odor-emitting sources and construction-related odors would be temporary and minor. Therefore, odor impacts will not be evaluated further in the EIR.

IV. Biological Resources

Environmental Setting

The following is based on the *Biological Survey Memorandum* prepared by SWCA Environmental Consultants (2025).

The approximately 9.7-acre project site is situated north of the existing Arroyo Grande Community Hospital campus and is surrounded by residential development and other medical facilities. The site consists of four contiguous parcels with elevation ranges from approximately 110 to 125 feet above mean sea level, and topography that gently slopes to the southwest.

The project site consists primarily of two undeveloped parcels and an undeveloped portion of a third parcel with an unimproved gravel overflow parking lot running through the center. The other parcel is currently developed with the existing hospital and is largely paved/impervious. The site supports annual grassland habitat on sandy soils, which is subject to ongoing anthropogenic disturbance, including vegetation clearing, ground disturbance, and material storage. Vegetation in the grassland is dominated by nonnative species such as perennial veldt grass, with scattered telegraph weed, perennial mustard, and jointed charlock. Landscaped areas with ornamental species are present along the northern and western edges, and developed land cover (paved and gravel parking) is limited to the central portion of the site and the northwest corner. No hydrologic features or wetlands are present on or adjacent to the project site.

Background research and field surveys identified annual grassland as the only natural vegetation community on-site. This habitat type is considered widespread and disturbed, providing limited habitat value. No CDFW Sensitive Natural Communities were observed.

A review of regional biological data identified five special-status plant species with potential to occur on-site, including federally endangered and state rare Pismo clarkia (Clarkia speciosa ssp. immaculata). However, appropriately timed botanical surveys conducted in April and May 2025 did not detect any special-status plant species within the project site, and the disturbed condition of the site further limits the potential for these species to occur.

Thirteen special-status wildlife species are known from the region, but no suitable habitat for these species was identified on-site due to the site's highly disturbed nature and lack of connectivity to natural areas. No special-status wildlife species were observed during the 2025 surveys. However, the annual grassland and landscaped areas provide suitable nesting and foraging habitat for common migratory birds protected under the Migratory Bird Treaty Act and California Fish and Game Code. No USFWS-designated critical habitat overlaps the project site.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modification, on any species identified as a sensitive, candidate, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	☐	☒	☐
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	☐	☐	☒
c) Have a substantial adverse effect on federally protected wetlands, as defined by §404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☒	☐	☐
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☒
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☒

Discussion

a) Background research and field surveys were conducted for the project site in April and May 2025, including early and late season botanical surveys. The project site was evaluated for the presence of 31 special-status plant species known from the region, with five species determined to have some potential to occur based on habitat and geographic range. However, no special-status plant species, including Pismo clarkia (*Clarkia speciosa ssp. immaculata*), were observed during

appropriately timed surveys, and the disturbed annual grassland and ornamental landscaping present on-site provide only marginal habitat for these species.

Similarly, background research identified 13 special-status wildlife species within a 5-mile radius, but field surveys and habitat assessments determined that the site lacks suitable habitat for these species due to ongoing disturbance, lack of connectivity to natural areas, and predominance of nonnative vegetation. No special-status wildlife species were observed during the surveys. Although the site does provide suitable habitat for common migratory birds, no special-status avian species were detected. Potential impacts to migratory birds are discussed below.

The project would not have a substantial adverse effect, either directly or through habitat modification, on any species identified as a sensitive, candidate, or special status species. Impacts would be less than significant and this topic area will not be evaluated further in the EIR.

b) Arroyo Grande Creek, which supports riparian habitat, is located approximately 1,000 feet from the project site. However, the project site itself does not contain any riparian habitat or other sensitive natural communities as defined by the California Department of Fish and Wildlife or local/regional plans. Additionally, existing urban development including buildings, roads, and parking areas separates the project site from Arroyo Grande Creek, eliminating any direct or indirect connection that could result in impacts to the creek or its associated riparian habitat.

To further ensure protection of offsite resources, the project will be required to comply with the National Pollutant Discharge Elimination System (NPDES) permit program and implement a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP will include best management practices (BMPs) to control erosion, sedimentation, and stormwater runoff during construction and operation, thereby preventing the transport of pollutants or sediments to downstream resources such as Arroyo Grande Creek.

Based on the absence of riparian or sensitive natural communities on-site, the intervening development, and implementation of required water quality protection measures, the project would not have a substantial adverse effect on riparian habitat or other sensitive natural communities. No impacts to riparian habitat or sensitive natural communities would occur and this topic area will not be evaluated further in the EIR.

c) No wetlands or other state or federally protected aquatic resources are present on or adjacent to the project site. Arroyo Grande Creek is located approximately 1,000 feet from the site and is classified as Freshwater Forested/Shrub Wetland by the National Wetlands Inventory (USFWS 2025). However, intervening development separates the site from the creek, preventing any direct or indirect hydrological connection. The project would not result in the removal, filling, or hydrological alteration of any wetland or aquatic feature, and no impacts to Arroyo Grande Creek are anticipated. In addition, the project would comply with National Pollutant Discharge Elimination System (NPDES) permit requirements and implement a Stormwater Pollution Prevention Plan (SWPPP), which would include best management practices (BMPs) to control erosion, sedimentation, and runoff during construction and operation. These measures would further ensure protection of offsite aquatic resources. The project would not result in the removal, filling, or hydrological alteration of any wetland or aquatic feature. There would be no impact and this topic area will not be evaluated further in the EIR.

d) The project site is located within an urbanized area of Arroyo Grande and is bordered by existing medical facilities and residential development. The site itself consists of disturbed annual grassland, landscaped edges, and developed parking areas, and does not provide connectivity between larger patches of natural habitat. As such, the site does not function as a corridor for the movement of native resident or migratory wildlife species, nor is it part of an established wildlife movement route or nursery site for sensitive species.

While the annual grassland and landscaped areas may offer nesting and foraging habitat for common migratory birds protected under the Migratory Bird Treaty Act and California Fish and Game Code, these features are typical of urban edge environments and do not represent critical movement or nursery habitat. No special-status birds or evidence of active nests were observed during the 2025 surveys.

The project could result in potentially significant impacts to migratory and nesting birds. Therefore, this topic area will be evaluated further in the EIR.

e) The project would not conflict with local policies or ordinances protecting biological resources. No protected trees or sensitive resources subject to local policy were identified on-site. The project would comply with all applicable City of Arroyo Grande biological resource policies and ordinances and there will be no impact. This topic area will not be evaluated further in the EIR.

f) The project site is not located within the boundaries of a Habitat Conservation Plan, Natural Community Conservation Plan, or other approved habitat conservation plan. No conflicts with such plans would occur and there will be no impact. This topic area will not be evaluated further in the EIR.

Conclusion

Project construction has the potential to impact nesting and migratory birds and will likely necessitate avoidance and minimization measures. No other significant impacts to biological resources were identified. Therefore, with the exception of nesting birds, this resource area will not be evaluated further in the EIR.

V. Cultural Resources

Environmental Setting

This section is largely based on the information provided in the Archaeological Survey Report Phase 1 and Phase II Studies (ASR; Applied Earthworks 2015, 2016). prepared for the project.

Pre-Historic Setting

Archaeological evidence demonstrates that Native American groups (including the Chumash) have occupied the Central Coast for at least 10,000 years. The city of Arroyo Grande is located within the area historically occupied by the Barbareño Chumash, a tribe with highly complex social systems. Further, data suggests that the tribes around the project area may have been using tools in the late Paleo-Indian period. Around Early Holocene, between 8000 and 5000 BC, there were a greater number of early humans gathering around the central coast. These peoples utilized tools such as milling slabs and hand stones to grind seeds and process all sorts of food. There is great variation in the artifacts recovered from region to region on the central coast. In the Late Period, AD 1250-1769 the central coast population greatly expanded and many more arrow points, bead drills, mortars, and shells are found.

Historic Setting

The Chumash and Europeans had their first encounter when Spanish explorers landed in Morro Bay in 1587. At first the Chumash were described as timid, later the Chumash would attack and kill the Spanish explorers. Mission San Luis Obispo de Tolosa was founded in 1772 by Padre Junipero Serra, and it was damaged by Chumash in 1776. Native people at the mission suffered and the population declined rapidly. In the Roll of 1928 compiled by the Bureau of Indian Affairs, only four Native Americans survived the San Luis Obispo Mission. The mission was secularized in 1835, and the land was divided among the wealthiest families. The Rancho Arroyo Grande was formed by the Branch family after land grands. During drought in the 1860's the Branch family had to sell small parts of their land. Owners of the Branch land settled the township of Arroyo Grande in 1862. In 1911 Arroyo Grande was incorporated as a city.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?	☐	☐	☒
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?	☒	☐	☐
c) Disturb any human remains, including those interred outside of formal cemeteries?	☒	☐	☐

Discussion

a) The project does not proposed demolition of any structures and no historic resources are present on or near the project site.

The project would not cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5 and this topic area will not be evaluated further in the EIR.

b) – c) The studies prepared for the project site identified know archaeological resources underlying the proposed project area. Construction of the project would disturb these resources and result in potentially significant impacts associated with archaeological resources. The project would have the potential to cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5 and to disturb any human remains, including those interred outside of formal cemeteries and these topic areas will be evaluated further in the EIR.

Conclusion

Significant impacts related to cultural resources were identified; therefore, this resource area will be evaluated further in the EIR. No impacts to historic resources were identified and this topic will not be discussed in the EIR.

VI. Energy

Environmental Setting

Electricity service for the city of Arroyo Grande is provided primarily by Pacific Gas & Electric (PG&E) and Central Coast Community Energy (3CE). 3CE is a locally-controlled public agency supplying clean and renewable electricity for residents and businesses in Monterey, San Benito, parts of San Luis Obispo, Santa

Barbara, and Santa Cruz Counties. 3CE is based on a local energy model called Community Choice Energy that partners with the local utility (i.e., PG&E) which continues to provide consolidated billing, electricity transmission and distribution, customer service and grid maintenance services. 3CE provides customers with a choice for clean and renewable energy, and community reinvestment through rate benefits and local greenhouse gas (GHG)-reducing energy programs for residential, commercial, and agricultural customers. Participation in 3CE as an electricity provider is voluntary and all customers are provided with the option to opt out of the automatic enrollment and utilize PG&E electricity services instead. In 2023 3CE energy generation was supplied from approximately 36.9% renewable energy sources and 11.7% large hydroelectric sources. 3CE will provide 100% carbon-free electricity by the year 2030, which is 15 years ahead of California's SB 100 requirement of zero-carbon energy by 2045 (3CE 2024). PG&E energy generation in 2022 was supplied from approximately 38% of renewable energy sources (i.e., biomass and waste, geothermal, small hydroelectric, solar, and wind), 8% of large hydroelectric sources, and 44% of nuclear sources (PG&E 2022).

Natural gas services in the city of Arroyo Grande is provided by Southern California Gas Company (SoCalGas).

The California Building Code (CBC) contains standards that regulate the method of use, properties, performance, or types of materials used in the construction, alteration, improvement, repair, or rehabilitation of a building or other improvement to real property. The CBC includes mandatory green building standards for residential and nonresidential structures, the most recent version of which are referred to as the 2025 Building Energy Efficiency Standards. These standards focus on four key areas: smart residential photovoltaic systems, updated thermal envelope standards (preventing heat transfer from the interior to the exterior and vice versa), residential and nonresidential ventilation requirements, and non-residential lighting requirements.

The City of Arroyo Grande Climate Action Plan (2013) is a long-range plan to reduce GHG emissions from City government operations and community activities. The Climate Action Plan will also help achieve multiple community goals such as lowering energy costs, reducing air pollution, and supporting local economic development. The Climate Action Plan was prepared with the goal of reaching the state target of GHG emissions reduction of 15 percent below 2005 levels by the year 2020.

Would the project:	**Potentially Significant Impact**	**Less Than Significant Impact**	**No Impact**
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	☐	☒	☐
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	☐	☒	☐

Discussion

a) Implementation of the proposed project would increase electricity, diesel, gasoline, and natural gas consumption associated with construction activities, as well as long-term operational activities, including a backup generator.

Energy consumption would occur during construction, including fuel use associated with the on-site operation of off-road equipment and vehicles traveling to and from the construction site. Construction equipment use and associated energy consumption would be typical of that commonly associated with the construction of new land uses. Idling of heavy-duty diesel construction equipment and trucks during loading and unloading would be limited to five minutes in accordance with SLOAPCD requirements. Energy use associated with construction of the proposed project would be temporary and would not be anticipated to result in the need for additional energy infrastructure capacity, nor would construction be anticipated to result in increased peak-period demands for electricity. Project construction would not be anticipated to require the use of construction equipment that would be less energy efficient than those commonly used for the construction of similar facilities.

Operational mobile-source energy consumption would be primarily associated with truck trips to and from the project and passenger vehicle trips associated with project employees and hospital patients and guests. The ongoing development of increasingly efficient automobile engines would result in increased energy efficiency and energy conservation in future years. The proposed project would result in increased electricity and natural gas consumption associated with the long-term operation of the building associated with the proposed land use. The development of increasingly efficient building fixtures would result in increased energy efficiency and energy conservation. The project would be subject to energy conservation requirements in the CBC (24 CCR Part 6, California's Energy Efficiency Standards for Residential and Nonresidential Buildings) and CALGreen (24 CCR Part 11). A backup generator is also proposed but would only be used as necessary during power outages.

Because construction activities would be temporary and not require unusual equipment or energy-intensive methods, and project operation would comply with applicable state energy efficiency standards and would not involve unusual energy-intensive activities or require new energy infrastructure, the project would not result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources and this topic area will not be evaluated further in the EIR.

b) The project would be required to be in full compliance with the CBC, including applicable green building standards and building energy efficiency standards such as lighting and HVAC efficiency standards and electric vehicle parking spaces (installed, ready, and capable). Furthermore, the City's General Plan and Conservation Element ensure the conservation and preservation of energy resources by increasing the energy efficiency of buildings, appliances, and buildings to the use of alternative forms of energy. The project would not conflict with other goals and policies set forth in the general plan pertaining to renewable energy and energy efficiency.

The project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency and this topic area will not be evaluated further in the EIR.

Conclusion

No significant related to energy were identified; therefore, this resource area will not be evaluated further in the EIR.

VII. Geology and Soils

Environmental Setting

The information in this section relies on the Geotechnical Engineering and Geological Hazards Report Prepared by Earth Systems Pacific on September 6th, 2023 for the proposed project.

The project site is located within the Coast Ranges province, on the on the Pismo Mesa, which is characterized by its many elongate mountain ranges and valleys, extending 600 miles along the coast of California from the Oregon border south to the Santa Ynez River in Santa Barbara County. The Arroyo Grande Valley (and the southern Cienega Valley portion) is located near the intersection of the California coastal ranges and the Los Angeles ranges. The Pismo Mesa is made up of elevated old dune deposits that have been locally dissected. This area is bounded by active dunes and beach deposits to the west, the Cienega Valley to the south, Arroyo Grande Valley to the east, and the Irish Hills to the north.

The project site encompasses an urban area that is generally flat within the city of Arroyo Grande at elevations ranging from 75 to 100 feet above mean sea level.

Arroyo Grande is located in a geologically complex and seismically active region. Seismic, or earthquake-related, hazards have the potential to result in significant public safety risks and widespread property damage. Two of the direct effects of an earthquake include the rupture of the ground surface along the trend or location of a fault, and ground shaking that results from fault movement. Other geologic hazards that may occur in response to an earthquake include liquefaction, seismic settlement, and landslide. The following active fault systems are located within 65 miles; San Luis Range, Los Osos, Oceanic-West Huasna, Hosgri-San Simeon, and San Andreas faults.

The Wilmar Avenue Fault is the closest fault to the project site. According to the City's General Plan, the Wilmar Avenue Fault is a potentially active fault adjacent to the city of Arroyo Grande. The Wilmar Avenue Fault is exposed in a sea cliff in Pismo Beach, and the buried trace of the fault is inferred to strike northwest-southeast parallel and adjacent to US 101 beneath portions of Arroyo Grande. This potentially active fault poses a moderate potential fault rupture hazard to the city. The Wilmar Avenue fault is 0.3 miles north of the project site. Ground rupture within the project site has a very low likelihood because there are no mapped active faults on the project site.

The project site was investigated by Earth Systems Pacific for soil type using six exploratory borings on July 20th and 21st, 2023. From the borings, it was found that the first foot was composed of decomposed granite. Below the decomposed granite was Older Dune Sand which was composed of graded sand, silty sand, and poorly graded sand and gravel. The higher depth soils were loose with medium density. The borings with depths from 20.5 to 21.5 feet and below 47.5 feet had dense to very dense soils. No ground water was encountered during the borings, but the soil was described as slightly moist to moist and highly erodible.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:			
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map, issued by the State Geologist for the area, or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	☐	☒	☐
ii) Strong seismic ground shaking?			
iii) Seismic-related ground failure, including liquefaction?			
iv) Landslides?			
b) Result in substantial soil erosion or the loss of topsoil?	☐	☒	☐
c) Be located on a geologic unit or soil that is unstable, or that would become unstable, as a result of the project and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	☐	☒	☐
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☒	☐
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste disposal systems, where sewers are not available for the disposal of waste water?	☐	☐	☒

Discussion

a.i.) Based on the Geotechnical Engineering and Geologic Hazards Report (Earth Systems Pacific 2023) for the proposed project, the project site is not located in any State or County Fault Zones or otherwise mapped active fault zones. Thus, the proposed project site does not have any potential for ground rupture. The closest fault is the Wilmar Avenue Fault, and it is 0.3 miles from the project site. The project would not expose people or structures to significant increased risks associated with rupture of a known earthquake fault and impacts are less than significant. This topic area will not be evaluated further in the EIR.

a.ii) Based on the Geotechnical Engineering and Geologic Hazards Report (Earth Systems Pacific 2023), the project is located in an area with multiple geological characteristics that could contribute to moderately high potential for seismic activity and ground shaking. The geotechnical report includes a comprehensive site-specific seismic hazard analysis, which provides design-level ground motion parameters (e.g., SDS, SD1) and identifies appropriate site class and seismic design category in accordance with the California Building Code (CBC) and ASCE 7 standards.

The report recommends that project foundations and structural elements be designed using these site-specific seismic acceleration parameters to ensure the building's resilience to seismic events. Compliance with the CBC is mandatory for all new development and requires incorporation of

geotechnical recommendations into final design and construction documents. These requirements are enforced through the building permit process and are intended to minimize the risk of damage or injury due to seismic ground shaking.

With implementation of these mandatory regulatory requirements and adherence to the project-specific geotechnical recommendations, the project would not exacerbate geologic hazards or expose people or structures to substantial risk of injury, loss, or death due to seismic ground shaking. No mitigation measures beyond compliance with existing codes and the geotechnical report are required. This topic area will not be evaluated further in the EIR.

a.iii) Based on the Geotechnical Engineering and Geologic Hazards Report (Earth Systems Pacific 2023), the project site is in an area mapped as having moderate potential for liquification and site-specific analysis identified a potential liquefaction settlement of up to 1.6 inches, though the report notes this is a conservative analysis and that actual settlement would be around 1.0 inch or less (0.5 inches over a horizontal distance of 25 feet). The CBC requires that all new construction be designed to withstand site-specific seismic hazards, including liquefaction and related ground failure, and which mandates incorporation of geotechnical recommendations into final design and construction. The project would be required to comply with the CBC and other applicable standards to ensure the effects of a potential seismic event would be minimized through compliance with current engineering practices and techniques.

Compliance with these mandatory regulatory requirements will ensure that the project does not exacerbate geologic hazards or expose people or structures to substantial risk of injury, loss, or death due to seismic-related ground failure, including liquefaction. As such, impacts related to liquefaction and seismic ground failure would be less than significant. No mitigation measures beyond compliance with existing codes and the project-specific geotechnical recommendations are required. This topic area will not be evaluated further in the EIR.

a.iv) Landslides typically occur in areas with steep slopes or in areas containing escarpments. The project development site is located within an existing open space with nearly level topography and the project would not require substantial grading that would alter the topography of the site. There are no steep slopes within or immediately adjacent to the project site. The project would not expose people or structures to significantly increased risks associated with landslides and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

b) The proposed project will include grading to construct the rehabilitation center. The sandy soil on the project site has a high erosion potential. Projects that disturb 1 acre of soil or more are required to obtain National Pollutant Discharge Elimination System (NPDES) coverage under the NPDES General Permit for Storm Water Discharges Associated with Construction Activity (General Permit), Order No. 2009-0009-DWQ. The General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP), which must include site-specific Best Management Practices (BMPs) to control stormwater runoff and prevent soil erosion, such as silt fencing, fiber rolls, stabilized construction entrances, and revegetation or stabilization of disturbed (graded) areas. Because more than 1 acre of land would be disturbed during the construction phase, the applicant would be required to prepare a SWPPP and obtain a storm water permit from the RWQCB. Compliance with permit conditions would require the implementation of erosion control BMPs tailored to the site's sandy soils and erosion potential. After construction, the site will be stabilized with permanent landscaping and paving, further

reducing the risk of long-term erosion. Therefore, the project would not result in substantial soil erosion or the loss of topsoil during either construction or operation, and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

c) Landslides typically occur in areas with steep slopes or in areas containing escarpments. According to the U.S. Geologic Survey's (USGS) U.S. Landslide Inventory and Susceptibility Map (USGS 2025), the project site is not located within an area with high landslide potential and the project development site is located in an area with nearly level topography. Based on the USGS data, the project is not located in an area of historical or current land subsidence. The project site is located within an area with moderate to high liquefaction potential. The project would also be required to comply with CBC seismic requirements to address potential seismic-related ground failure including lateral spread and liquefaction. The project would not be located on a geologic unit or soil that is unstable, or that would become unstable, as a result of the project and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

d) Based on the Geotechnical Engineering and Geologic Hazards Report (Earth Systems Pacific 2023), the project site is not located in an area with expansive soils and thus there will be no impact. This topic area will not be evaluated further in the EIR.

e) The project would include a new connection to the City's wastewater system. No septic tanks or alternative wastewater treatment systems are proposed onsite and thus there will be no impact. This topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts related to geology and soils were identified; therefore, this resource area will not be evaluated further in the EIR.

VIII. Greenhouse Gas Emissions

Environmental Setting

GHGs are any gases that absorb infrared radiation in the atmosphere, and are different from the criteria pollutants discussed in Section III, Air Quality, above. The primary GHGs that are emitted into the atmosphere as a result of human activities are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases. These are most commonly emitted through the burning of fossil fuels (i.e., oil, natural gas, and coal), agricultural practices, decay of organic waste in landfills, and a variety of other chemical reactions and industrial processes (e.g., the manufacturing of cement).

CO_2 is the most abundant GHG and is estimated to represent approximately 80–90% of the principal GHGs that are currently affecting the earth's climate. According to CARB, transportation (vehicle exhaust) and electricity generation are the main sources of GHG in the state.

The passage of Assembly Bill (AB) 32, the California Global Warming Solutions Act, in 2006 recognized the need to reduce GHG emissions and set the GHG emissions reduction goal for the State of California into law. The law required that by 2020, state emissions must be reduced to 1990 levels. This is to be accomplished by reducing GHG emissions from significant sources via regulation, market mechanisms, and other actions. Subsequent legislation (e.g., Senate Bill [SB] 97, Greenhouse Gas Emissions bill) directed CARB to develop statewide thresholds.

In accordance with SLOAPCD recommendations, the proposed project would be considered to be consistent with the State's carbon neutrality goals and would be considered to have a less-than-significant impact if: 1) the project is deemed consistent with regional VMT-reduction targets; 2) the project incorporates BMPs to support the State's GHG-reduction efforts; and 3) the project would not result in a wasteful, inefficient, or unnecessary energy use as determined by the analysis required under CEQA Section 21100(b)(3) and Section 15126.2(b) of the State CEQA Guidelines.

SLOAPCD has not identified recommended BMPs for development projects. However, other air districts in the state have recently released BMP-related guidance for the evaluation of GHG impacts. For instance, the Bay Area Air District released recommended GHG significance thresholds that are based on a "fair share" approach for achieving carbon neutrality goals and to ensure consistency with the state's GHG-reduction efforts, including the CARB's Scoping Plan. Accordingly, the Bay Area Air District recommends that the installation of natural gas infrastructure for development projects be prohibited to the extent that alternatively powered options are available. Similarly, the Sacramento Metropolitan Air Quality Management District (SMAQMD) recently released BMPs, which discourage the installation of natural gas infrastructure for development projects and include a requirement that projects meet current CalGreen Tier 2 standards for electric-vehicle (EV) spaces, except that EV-capable spaces shall instead be EV ready. This additional requirement requires the installation of electrical infrastructure sufficient to service the future installation of EV chargers. The Bay Area Air District and SMAQMD thresholds are based on an approach endorsed by the Supreme Court in *Center for Biological Diversity v. Department of Fish & Wildlife* (2015). Although not located within these jurisdictions, development in San Luis Obispo County and associated GHG emissions are comparable to those generated by developments within other areas of the state, including the Bay Area Air District and SMAQMD jurisdictions. Given that climate change is inherently a cumulative impact that occurs on a global scale, these BMPs would, likewise, be considered representative of the project's "fair share" of what would be required to meet the State's long-term climate goals, including achieving carbon neutrality by 2045 and ensuring consistency with the State's Climate Change Scoping Plan. It is also important to note that the CARB 2022 Scoping Plan states that under a CEQA Lead Agency's discretion, with supporting evidence, projects that incorporate some but not all key attributes could be found by the Lead Agency as being consistent with the CARB's Scoping Plan. Project-related operational GHG impacts were assessed based on consistency with applicable GHG reduction plans.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant effect on the environment?	☐	☒	☐
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☒	☐

Discussion

a) Construction and operation of the proposed rehabilitation hospital would generate greenhouse gas (GHG) emissions primarily from construction equipment, worker and visitor vehicle trips, building energy use, and waste generation. During construction, temporary GHG emissions would result from the use of heavy machinery, material deliveries, and construction-related activities. Once operational, GHG emissions would be generated through electricity and natural gas consumption, ongoing vehicle trips by staff, patients, and visitors, and solid waste disposal.

As discussed in the Environmental Setting, above, the SLOAPCD has not adopted a quantitative threshold for project-level GHG emissions and instead recommends a qualitative approach that considers whether a project supports the State's long-term climate goals. Under this approach, a project's GHG impact may be considered less than significant if it is consistent with regional VMT reduction targets, incorporates best management practices that support statewide GHG reduction efforts, and does not result in wasteful, inefficient, or unnecessary energy consumption pursuant to CEQA Guidelines Sections 15126.2(b) and 21100(b)(3).

The proposed project would be located within an existing developed medical campus and would comply with applicable state and local regulations intended to reduce GHG emissions and energy use, including the California Green Building Standards Code (CALGreen) and Title 24 Building Energy Efficiency Standards. Compliance with these regulations would reduce building energy consumption and associated GHG emissions. Additionally, the project's location within an established medical campus helps minimize the need for new infrastructure and supports efficient land use patterns.

In addition, the project would result in a net decrease in regional VMT, consistent with SLOCOG's SLOCOG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) to reduce per-capita greenhouse gas emissions from passenger vehicles by 3 percent by 2020 and 11 percent by 2035 (relative to 2005 levels) through land use and transportation strategies that reduce vehicle miles traveled (Orosz Engineering Group 2024).

Because the project would be consistent with SLOAPCD's recommended qualitative evaluation approach, would incorporate applicable regulatory requirements that reduce GHG emissions, and would not result in wasteful or inefficient energy use, the project would not generate GHG emissions that would have a significant effect on the environment. Impacts would be less than significant

Therefore, impacts related to GHG emissions would be less than significant and this topic will not be evaluated further in the EIR.

b) California has adopted numerous plans, policies, and regulations intended to reduce statewide GHG emissions, including Assembly Bill (AB) 32, Senate Bill (SB) 32, and the California Air Resources Board (CARB) Climate Change Scoping Plan, which establishes the State's strategy for achieving long-term GHG reductions and carbon neutrality by 2045. At the building and project level, these goals are implemented through regulatory programs such as the Title 24 Building Energy Efficiency Standards and the California Green Building Standards Code (CALGreen).

The proposed project would be required to comply with these applicable state regulations, which establish mandatory requirements for energy efficiency, water efficiency, waste reduction, and sustainable building practices. Compliance with these regulations ensures that the project supports the State's broader GHG reduction framework.

At the regional level, SLOCOG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) establishes targets to reduce per-capita GHG emissions from passenger vehicles by 3 percent by 2020 and 11 percent by 2035 relative to 2005 levels through land use and transportation strategies that reduce vehicle miles traveled (VMT). The project would result in a net decrease in regional VMT (Orosz Engineering Group 2024) and would therefore support implementation of the RTP/SCS strategy to reduce transportation-related GHG emissions.

At the local level, the City of Arroyo Grande Climate Action Plan (CAP) establishes strategies to reduce communitywide GHG emissions through energy efficiency, sustainable building practices, and reductions in transportation-related emissions. The proposed project would be required to comply with applicable state energy efficiency regulations, including Title 24 and CALGreen, which support CAP strategies related to building energy performance and resource efficiency. In addition, the project would occur within an existing developed medical campus in an urbanized area of the City, which supports CAP strategies that encourage efficient land use patterns and reductions in vehicle travel.

Because the project would comply with applicable state energy efficiency standards, support regional VMT reduction goals established in the RTP/SCS, and be consistent with the City's CAP strategies to reduce energy use and transportation-related emissions, the project would not conflict with applicable plans, policies, or regulations adopted for the purpose of reducing GHG emissions. Impacts would be less than significant and this topic will not be evaluated further in the EIR.

Conclusion

No significant impacts related to GHGs were identified; therefore, this resource area will not be evaluated further in the EIR.

IX. Hazards and Hazardous Materials

Environmental Setting

The information in this section relies on the Phase I Environmental Site Assessment (ESA) prepared before the proposed project parcel (APN 006-391-049) was purchased by Dignity Health (Haro Environmental 2017).

The Hazardous Waste and Substances Site (Cortese) List is a planning document used by the State, local agencies, and developers to comply with CEQA requirements related to the disclosure of information about the location of hazardous materials release sites. California Government Code Section 65962.5 requires the California EPA (CalEPA) to develop at least annually an updated Cortese List. Various state and local government agencies are required to track and document hazardous material release information for the Cortese List. The California Department of Toxic Substance Control (DTSC) EnviroStor database tracks DTSC cleanup, permitting, enforcement, and investigation efforts at hazardous waste facilities and sites with known contamination, such as federal superfund sites, state response sites, voluntary cleanup sites, school cleanup sites, school investigation sites, and military evaluation sites.

Haro Environmental conducted a government agency database search from Lightbox EDR to look for properties that were within a minimum search distance from the project site; the project site was not found on any known sites. Nearby properties were listed on sites but based on the topography of the area and the nature of the listed sites (non-release facilities) the listed properties are not of any environmental concern.

The project site does not contain hazardous waste and there is no evidence of Underground Storage Tanks (UST), pits, sumps, clarifiers, or other potentially hazardous material conditions that might impact the underlying soil or groundwater. The project site did not reveal any indications of stained soil, or stressed vegetation. Haro Environmental recommends that no further investigation be conducted for the project site at this time.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☒	☐
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☒	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☒	☐
d) Be located on a site which is included on a list of hazardous materials sites, compiled pursuant to Government Code §65962.5, and, as a result, would it create a significant hazard to the public or environment?	☐	☒	☐
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport,, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	☐	☒	☐
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☒	☐
h) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	☐	☒	☐

Discussion

a) The proposed project site will be integrated into the greater Arroyo Grande Community Hospital campus. The Arroyo Grande Community Hospital campus currently has an active UST facility annual permit, maintains an active hazardous materials disclosure for 1 to 4 hazardous materials through the San Luis Obispo County Certified Unified Program Agency (CUPA), and is registered as an active hazardous waste generator for 1 to 5 waste streams.

Operation of the proposed rehabilitation hospital would involve the routine use, storage, and disposal of small quantities of hazardous materials typical of medical facilities, such as medical gases (e.g., oxygen and nitrous oxide), pharmaceutical products, cleaning and disinfecting agents (e.g., bleach and quaternary ammonium compounds), laboratory chemicals, and maintenance-related materials such as paints, solvents, fuels, lubricants, and batteries. These materials are common to hospital operations and are regulated under existing federal, state, and local hazardous materials management programs.

Transportation of hazardous materials to and from the site would be required to comply with U.S. Department of Transportation (DOT) Hazardous Materials Regulations (49 CFR Parts 171–180), which establish requirements for packaging, labeling, placarding, shipping documentation, and handling of hazardous materials during transport to minimize the risk of releases, spills, or

accidents. At the state level, hazardous materials and hazardous waste management is regulated by the California Department of Toxic Substances Control (DTSC) and the California Environmental Protection Agency (CalEPA) under the Hazardous Waste Control Law (California Health and Safety Code Section 25100 et seq.) and implementing regulations in Title 22 of the California Code of Regulations. These regulations require hazardous waste generators to properly characterize, label, store, and manifest hazardous wastes and ensure that wastes are transported by licensed hazardous waste haulers to permitted treatment, storage, or disposal facilities.

In addition, facilities that handle hazardous materials above specified quantities are required to prepare and implement a Hazardous Materials Business Plan (HMBP) pursuant to California Health and Safety Code Section 25500 et seq., which includes inventory reporting, site maps, emergency response procedures, and employee training requirements. Compliance with the HMBP program, administered locally by the County CUPA, ensures that hazardous materials are stored, handled, and reported in a manner that minimizes risks to the public and emergency responders. Any USTs on the campus are also regulated under state UST regulations (California Code of Regulations Title 23), which require leak detection systems, spill and overfill prevention equipment, corrosion protection, and periodic inspections.

The proposed rehabilitation hospital would either operate under the existing hazardous materials management programs and permits maintained by Arroyo Grande Community Hospital or obtain any additional required permits prior to operation. Compliance with these established regulatory programs requires implementation of standardized handling, storage, transportation, and disposal procedures designed to prevent accidental releases and protect human health and the environment. Because the project would involve the routine use of common medical and maintenance-related hazardous materials in compliance with these regulatory requirements, impacts related to the transport, use, or disposal of hazardous materials would be less than significant. Therefore, this topic area will not be evaluated further in the EIR. This topic area will not be evaluated further in the EIR.

b) Construction activities associated with the project are anticipated to require use of limited quantities of hazardous substances, including gasoline, diesel fuel, hydraulic fluid, solvents, oils, paints, etc. Construction contractors would be required to comply with applicable federal and state environmental and workplace safety laws for the handling of hazardous materials, including the Federal Occupational Safety and Health Administration (OSHA) Process Safety Management Standard (CCR 29.1910.119), which includes requirements for preventing and minimizing the consequences of accidental release of hazardous materials.

The project site would not require disturbance within close proximity of US 101 or other highly travelled roadways that would have the potential to contain soils that may have unsafe concentrations of aerially deposited lead.

Any commonly used hazardous substances during operation of the project, such as disinfectants, sterilants, pharmaceuticals, biological hazards, or medical gases would be transported, stored, and used according to regulatory requirements and existing procedures for the handling of hazardous materials. Transportation of hazardous materials to and from the site would comply with the U.S. Department of Transportation (DOT) Hazardous Materials Regulations (49 Code of Federal Regulations [CFR] Parts 171–180), which establish requirements for packaging, labeling,

placarding, shipping documentation, and training of personnel handling hazardous materials to minimize the potential for spills or releases during transport.

Storage and on-site management of hazardous materials would be regulated under California's Hazardous Materials Business Plan (HMBP) program (California Health and Safety Code, Chapter 6.95), administered locally by the San Luis Obispo County Certified Unified Program Agency (CUPA). Facilities storing hazardous materials above regulatory thresholds must prepare and implement an HMBP that includes hazardous material inventories, site maps identifying storage locations, emergency response procedures, employee training, and reporting through the California Environmental Reporting System (CERS). These requirements are intended to ensure safe storage and handling of hazardous materials and to provide emergency responders with information necessary to respond to potential releases.

Hazardous wastes generated during operation, such as spent solvents, pharmaceutical wastes, or chemical residues, would be managed in accordance with the federal Resource Conservation and Recovery Act (RCRA) and California Hazardous Waste Control Law (Health and Safety Code Section 25100 et seq.) and implementing regulations in Title 22 of the California Code of Regulations. These regulations require hazardous waste generators to properly characterize hazardous wastes, store wastes in compatible and labeled containers, maintain accumulation time limits, use hazardous waste manifests, and transport wastes via licensed hazardous waste haulers to permitted treatment, storage, or disposal facilities.

In addition, medical facilities generating biohazardous or medical waste must comply with the California Medical Waste Management Act (Health and Safety Code Section 117600 et seq.), which establishes requirements for segregation, packaging, labeling, storage, and transport of medical waste to prevent exposure or releases to the environment.

The project would not create a significant hazard to the public or the environment through reasonably foreseeable upset and/or accident conditions involving the release of hazardous materials, substances, or waste into the environment and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

c) The Arroyo Grande Community Hospital campus is approximately 250 feet from Harloe Elementary School. All other schools within Arroyo Grande are more than ¼ mile from the proposed project site. Hazardous materials associated with the project would be limited to those commonly used in hospital operations, such as cleaning agents, medical gases, and pharmaceuticals, all of which are subject to strict regulatory controls and standard safety procedures, as discussed in thresholds a and b, above. As such, the project would not result in the routine emission or handling of hazardous materials in sufficient quantities to impact Harloe Elementary School or any other school in the vicinity and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

d) Based on the Phase I ESA and a review of the Cortese list sites, the project site is not located within an active hazardous waste cleanup site and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

e) The closest airport to the project site is the Oceano County Airport that is approximately two miles away and is small with one main take-off and landing strip. Based on the Airport Land Use Plan (ALUP) for the Oceano County Airport, the project is not located within the Airport Land Use

Planning Area or noise contours (San Luis Obispo County Airport Land Use Commission 2007). The project would not result in potential impacts associated with safety hazards or excessive noise from aircraft and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

f) The proposed project would not require any temporary or long-term road closures during construction or operation. Access to the Arroyo Grande Community Hospital campus and adjacent roadways would be maintained at all times, ensuring that emergency vehicles and personnel have unimpeded access to the site and surrounding areas. Construction activities would be coordinated to avoid obstructing primary or secondary access routes used for emergency response or evacuation.

The anticipated increase in patients and staff associated with the new rehabilitation center is not expected to substantially increase traffic volumes or otherwise interfere with emergency response times. The hospital's existing emergency procedures and protocols would remain in place and fully operational throughout the construction and operation of the proposed project. In addition, all existing hospital facilities would continue to operate without interruption, and no changes to established emergency access points or evacuation routes are proposed.

The project would comply with all applicable federal, state, and local requirements related to emergency response and evacuation planning. As such, implementation of the project would not impair implementation of, or physically interfere with, any adopted emergency response plan or emergency evacuation plan and impacts are less than significant. This topic area will not be discussed further in the EIR.

g) The project site is located within a fully developed area of the City of Arroyo Grande and is not situated within or adjacent to any designated wildland areas or Very High Fire Hazard Severity Zones, as mapped by the California Department of Forestry and Fire Protection (CAL FIRE; CAL FIRE 2025). Surrounding land uses consist primarily of existing hospital facilities, commercial development, and urban infrastructure, which further reduces the risk of exposure to wildland fires.

Prior to issuance of building permits, the project would be required to demonstrate compliance with all applicable fire safety regulations, including the California Fire Code, local fire department requirements, and relevant provisions of the Public Resources Code. These standards are designed to minimize fire risk, ensure adequate emergency access, and promote fire-safe construction and site design.

Given the site's urban location and required adherence to fire safety regulations, the project would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires and impacts are less than significant. This topic area will not be discussed further in the EIR.

Conclusion

No significant impacts related to hazards and hazardous materials were identified; therefore, this resource area will not be evaluated further in the EIR.

X. Hydrology and Water Quality

Environmental Setting

The project site is located within the Arroyo Grande Creek watershed, a coastal basin with headwaters that originate at approximately 3,100 feet above mean sea level and eventually drain to the Pacific Ocean. Arroyo Grande Creek drains the 157-square-mile watershed and is the dominant surface water feature in the city. Flows in the creek are dominated by two factors: winter rains and Lopez Dam. Arroyo Grande Creek is included on the Section 303(d) list of impaired waterbodies for elevated concentrations of fecal coliform, *Escherichia coli* (*E. coli*), Benthic Community Effects, nickel, nitrate, and toxicity (SWRCB 2024).

Arroyo Grande Creek has been altered since the late 1950s for flood control, water supply, and groundwater recharge purposes. The most substantial alterations include the construction of a flood control channel and Lopez Dam. The Dam collects and provides water to municipalities and releases for downstream users, while the flood control channel provides flood protection to the productive farmlands of the Cienega Valley. Sediment buildup, increased runoff resulting from upstream development, and settling of the earthen levees have reduced the flood protection benefits of the channel over time, and larger storms (approximately 4.6-year storms or larger) result in localized flooding approximately once every 5 years. In 2010, the County of San Luis Obispo developed the Arroyo Grande Creek Waterway Management Program to restore capacity within the channel to provide flood protection from up to a 20-year storm event while simultaneously enhancing water quality and sensitive species habitat.

Arroyo Grande Creek runs along the agricultural land to the east of the proposed project site. As the crow flies, the Arroyo Grande Creek is approximately 0.12 miles from the proposed project site at its closest point. No water bodies run through the project site. According to the FEMA flood maps from November 2012, the project site is not within an area with flood hazard (FEMA 2012). The farmland to the east of the project site is within a zone X and AE. Flood Zone X indicated minimal to moderate risk of flood and flood zone AE indicates a high risk of flooding. While flood protection at the project site is generally adequate, the project area and surrounding vicinity are heavily urbanized, which leads to increased stormwater runoff, erosion of creek banks, and sedimentation of the creek, as well as heightened potential for substantially greater damage and injury in a flood event. The project site is also not within a FEMA mapped 100-year or 500-year flood hazard area (FEMA 2012).

The project site is located within the northern portion of the Central Coast Groundwater Basin in the Santa Maria River Valley Groundwater Basin, in the Arroyo Grande Creek Unit. The Santa Maria River Valley Groundwater Basin encompasses approximately 288 square miles within the coastal northern portion of Santa Barbara County and the southern portion of San Luis Obispo County. In San Luis Obispo County, the Santa Maria Basin consists of the main basin (Santa Maria) and three subbasins: Arroyo Grande Valley, Pismo Creek Valley, and Nipomo Valley. The project site is within the Arroyo Grande Valley subbasin, which is drained by Arroyo Grande Creek and its tributaries from below Lopez Lake Dam to the basin's southern boundary at the Wilmar Avenue Fault. Groundwater flow is generally westward toward the Pacific Ocean. In the project Geotechnical and Geotechnical hazards report, it was found that there is no groundwater at the project site within the grading depth. The groundwater was found to be between 90 feel mean sea level and 24 feet below ground surface.

Groundwater within the project area is regulated by the Central Coast Basin Plan and the Sustainable Groundwater Management Act (SGMA) that sets statewide standards for protecting groundwater in the long term.

The city is enrolled in the Phase II Municipal Storm Water Program (SWMP) as required by the State Water Resources Control Board. The program requires the city to develop and implement a Stormwater Management Plan (SWMP) in order to reduce or eliminate pollutants in stormwater runoff and minimize illicit discharges. In February 2013, the Water Resource Control Board adopted a new NEPDES General Permit for municipal water discharge. The new permit requires the city to create new guidance to adhere to the permit. Most of the new requirements are focused around elicit discharge, elimination, and monitoring. The city also implements BMP's and Pollution Prevention Methods (PPM's) to help minimize and control stormwater pollution.

Would the project:	**Potentially Significant Impact**	**Less Than Significant Impact**	**No Impact**
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	☐	☒	☐
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge, such that the project may impede sustainable groundwater management of the basin?	☐	☒	☐
c) Substantially alter the existing drainage pattern of the site or area, including through alteration of the course of a stream or river, or through the addition of impervious surfaces, in a manner which would:	☐	☒	☐
i. Result in substantial erosion or siltation on or off site;	☐	☒	☐
ii. Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	☐	☒	☐
iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	☐	☒	☐
iv. Impede or redirect flood flows?	☐	☒	☐
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	☐	☐	☒
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	☐	☒	☐

Discussion

a) Potential adverse effects of the project related to water quality are primarily associated with construction activities, including erosion, sedimentation, and the potential release of hazardous construction-related materials that could enter stormwater drainage facilities. The project could introduce sediment and potential pollutants through improper use of fuels, oils, and other construction-related hazardous materials, which could threaten surface or groundwater quality.

To address these risks, the project would be required to implement erosion control measures and hazardous materials spill prevention and response standards. Compliance with a NPDES General Construction Permit would be required, including preparation of a SWPPP that addresses both

the quality and quantity of stormwater runoff during construction and operation. The SWPPP would incorporate temporary BMPs to minimize water quality impacts.

Additionally, the new improvements would drain to an existing stormwater basin designed to attenuate peak runoff rates for the Arroyo Grande Community Hospital campus, including the new rehabilitation center. The project would not significantly violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality and this topic area will not be evaluated further in the EIR.

b) Construction activities would require ground disturbance to depths of approximately four to six feet, while the groundwater table is estimated to be about 24 feet below ground surface at its highest. The project would increase net impervious surfaces by approximately 135,000 square feet, or 3.1 acres, which would slightly decrease groundwater recharge. However, the project would include vegetated swales and infiltration areas above ground detention basins, and underground storage chambers, which would help facilitate groundwater recharge on site.

Given the minimal increase in impervious area and the implementation of BMPs, the project would minimize potential impacts to groundwater recharge. The project does not involve the construction or use of a well or sewage disposal system, and would not pose a threat of aquifer contamination or hazard to public health. The proposed rehabilitation center would house approximately 52 patients, resulting in only a minor increase in overall water demand for the hospital. Short-term construction-related water needs would be met using the City's non-potable municipal water supply. Therefore, the project would not substantially decrease groundwater supplies or interfere substantially with groundwater recharge and this topic area will not be evaluated further in the EIR.

c.i-iii) The project site is generally flat and does not pose a substantial risk to downslope runoff, sedimentation, erosion, or runoff. The project would be subject to SWRCB NPDES Construction General Permit (Order 2022-0057-DWQ), which requires preparation and implementation of a SWPPP with BMPs for stormwater runoff, including measures to prevent soil erosion such as such as fiber rolls, silt fences, stabilized construction entrances, sediment basins, and soil stabilization. he SWPPP must also include inspection, monitoring, and reporting requirements to ensure BMPs are functioning properly and that stormwater discharges do not cause violations of water quality standards.

The proposed project would utilize the existing stormwater basin serving the Arroyo Grande Community Hospital campus that was designed to attenuate the peak runoff rate at the hospital campus. The increase in impervious area is minimal compared to the overall campus and vegetation ground infiltration areas will be implemented to help minimize sheet flow and recharge the groundwater. Stormwater infrastructure and site drainage would be required to comply with stormwater management requirements, which are intended to ensure that post-development runoff does not exceed the capacity of existing drainage systems and does not result in on- or off-site flooding.

Compliance with the Construction General Permit, implementation of a SWPPP with erosion and sediment control BMPs, and the continued use of the existing campus stormwater detention basin designed to manage peak runoff flows would minimize the potential for erosion, sediment transport, or increases in runoff. Therefore, the proposed project would not substantially increase

the rate or amount of surface runoff in a manner that would result in flooding, exceed the capacity of existing or planned stormwater drainage systems, or create a substantial additional source of polluted runoff. Therefore, this topic area will not be evaluated further in the EIR.

c.iv) The 100-year flood zone identifies areas that would be subject to inundation in a 100-year storm event, or a storm with a 1% chance of occurring in any given year. Based on the FEMA National Flood Hazard Layer Viewer, no portion of the project site is located within the 100-year flood zone (FEMA 2012). Further, no area of the project site is within the flood zone areas for Arroyo Grande Creek which is about 0.12 miles to the east of the project site. Therefore, the project would not impede or redirect flood flows and this topic area will not be evaluated further in the EIR.

d) As described above, the proposed project is not within a flood zone area or 100-year flood hazard area. Based on the San Luis Obispo County Tsunami Inundation Maps, the project site is not located in an area with potential for inundation by a tsunami. The project site is not located within close proximity to a standing body of water with the potential for a seiche to occur. Therefore, the project would not risk release of pollutants due to project inundation and this topic area will not be evaluated further in the EIR.

e) The project site is located within the City of Arroyo Grande, which is under the jurisdiction of the Central Coast Regional Water Quality Control Board (RWQCB). The Central Coast RWQCB administers the Central Coast Basin Plan, which establishes water quality objectives and implementation programs to protect the beneficial uses of surface and groundwater resources in the region.

The project would be required to comply with all applicable water quality standards and regulations, including those set forth in the Central Coast Basin Plan. Construction activities would be subject to the NPDES General Construction Permit, which requires preparation and implementation of a SWPPP with BMPs to control erosion, sedimentation, and potential pollutant discharges to stormwater systems. These measures ensure that the project would not result in discharges that could conflict with or obstruct the implementation of the Basin Plan's objectives.

With respect to groundwater management, the City of Arroyo Grande overlies the Santa Maria Groundwater Basin, which is managed in accordance with the Sustainable Groundwater Management Act (SGMA). The basin is subject to a Groundwater Sustainability Plan (GSP) developed by the local Groundwater Sustainability Agency (GSA). The project does not propose the use of new groundwater wells or extraction, and the minor increase in impervious surfaces would be offset by design features (such as landscaped infiltration areas) that promote groundwater recharge. The project would not interfere with or obstruct the implementation of the GSP or any related groundwater management policies and this topic area will not be evaluated further in the EIR.

Conclusion

The proposed project will have less than significant impacts related to hydrology and water quality and will not be discussed further in the EIR.

XI. Land Use and Planning

Environmental Setting

The project is located within the City of Arroyo Grande in the land use type Office Professional and zoned as Office Mixed-Use. Surrounding zoning and land uses are summarized below:

- **North:** Dodson Way and S Rena Street, have a land use type of Single-Family Residential Medium Density, Multi-Family Residential High Density, and Office Professional. The zoning to the north of the project site is Single Family and Multi-Family.
- **East:** Woodland Drive has a land use type of Office Professional, while S. Alpine Street and Woodland Drive includes Single Family Residential Medium Density, and agricultural land use types. The zoning to the east of the project site is Multi-Family, Office Mixed Use, and Agricultural.
- **South:** Fair Oaks Avenue, Todd Lane, and Olive Street, are Single-Family Residential Medium Density land use type. The area south of the project site is zoned as Single-Family.

  West: S Halcyon Road and Alder Street are Office Professional, Multi-Family Residential Very High Density, and Multi-Family Residential Medium-High Density land use types. The area west of the project site is zoned as Office Mixed Use, Multi-Family Apartments, Multi-Family, and Multi-family Very High Density.

The project site is not within any conservation plans or specific plans. Within the City's Land Use Element Section of the General Plan, specific policies and goals are outlined for the Office land use designation of the project site. The two policies most relevant to the proposed development are as follows:

> LU4-1 The Office (O) classification shall provide areas for the establishment of office-based working environments for general, professional and administrative offices, medical and health care facilities generally along Halcyon Road between E. Grand Avenue and Fair Oaks Avenue and other convenient locations.
>
> LU4-2 The Office classification shall complement, and not conflict with, adjoining development. Features such as pedestrian oriented plazas, landscaped street yards and off-street parking areas, outdoor seating, fountains and similar amenities are encouraged. The maximum floor area ratio (FAR) shall be 0.5.

Additionally, the project site is within the Design Development Overlay District 2.20. This overlay district is aimed at ensuring adequate space exists for the Arroyo Grande Community Hospital and related medical facilities. The regulations are aimed at mixed-use development, to ensure that "a minimum of seventy-five (75) percent of the net building site (or equivalent area for vertical mixed use projects as determined by the community development director) shall be developed for office use to be compatible with the anticipated needs for the Arroyo Grande Hospital."

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Physically divide an established community?	☐	☐	☒
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☒	☐

Discussion

a) The proposed project would add additional hospital facilities within the existing hospital campus area. The proposed development would not result in a physical division between an established community. The project would be consistent with the general level of development within the project vicinity and would not create, close, or impede any existing public or private roads, or create any other barriers to movement or accessibility within the community. Therefore, the proposed project would not physically divide an established community and there would be no impact. This topic area will not be evaluated further in the EIR.

b) The project would be consistent with the property's land use designation and the guidelines and policies for development within the applicable land use designation and other Land Use Element policies. Impacts would be less than significant.

Conclusion

No significant impacts related to land use and planning were identified; therefore, no mitigation measures are necessary.

XII. Mineral Resources

Environmental Setting

The California Surface Mining and Reclamation Act (SMARA) of 1975 requires that the State Geologist classify land into mineral resource zones (MRZ) according to the known or inferred mineral potential of the land (PRC Sections 2710–2796). The three MRZs used in the SMARA classification-designation process in the San Luis Obispo-Santa Barbara Production-Consumption Region are defined below:

MRZ-1: Areas where available geologic information indicates that little likelihood exists for the presence of significant mineral resources.

MRZ-2: Areas where adequate information indicates that significant mineral deposits are present, or where it is judged that a high likelihood for their presence exists. This zone shall be applied to known mineral deposits or where well-developed lines of reasoning, based upon economic-geologic principles and adequate data, demonstrate that the likelihood for occurrence of significant mineral deposits is high.

MRZ-3: Areas containing known or inferred aggregate resources of undetermined significance.

The project site is not located within or adjacent to an area mapped as MRZ-2 (Busch 2011).

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that is or would be of value to the region and the residents of the state?	☐	☐	☒
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	☐	☐	☒

Discussion

a), b) There are no known mineral resources in the project area, and future extraction of mineral resources is very unlikely due to the urbanized nature of the area and development code limitation. There are no mapped mineral resources or mineral resource recovery sites in the City's General Plan, or any other land use plan. Therefore, there would be no significant impacts, and this topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts related to mineral resources were identified; therefore, this resource area will not be evaluated further in the EIR.

XIII. Noise

Environmental Setting

The Arroyo Grande Hospital is located in a region characterized by a mix of residential, commercial, and institutional land uses, with major transportation corridors, including US 101 and State Route 227, contributing to the ambient noise environment. The Mediterranean climate and generally flat to gently rolling topography influence sound propagation in the area.

The hospital campus is situated within a developed urban area. Land uses immediately surrounding the hospital include single-family and multi-family residential neighborhoods to the north and west, commercial and medical office buildings to the east and south, Harloe Elementary School cattycorner to the south west, Arroyo Grande High School approximately 0.38 miles southeast, and several parks and open spaces within a 0.5-mile radius.

Noise-sensitive receptors in the vicinity include adjacent residences, Harloe Elementary School and Arroyo Grande High School, nearby medical offices, and on-site hospital patient rooms. The existing ambient noise environment at and around the hospital is primarily influenced vehicular traffic on Halcyon Road, Fair Oaks Avenue, and US 101, emergency vehicle sirens, hospital operations (e.g., HVAC systems, loading dock activity), and occasional construction and landscaping activities in the area.

Would the project result in:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance or appliable standards of other agencies?	☒	☐	☐
b) Generation of excessive groundborne vibrations or groundborne noise levels?	☒	☐	☐
c) For a project located within the vicinity of a private airstrip or an airport land use plan, or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels.	☐	☒	☐

Discussion

a)-b) The project has the potential to generate a substantial temporary increase in ambient noise levels during construction activities, as well as during operation of the proposed generator. These noise levels may exceed the City's established noise standards. In addition, construction activities may result in groundborne vibration that could affect nearby sensitive receptors. The project could result in a temporary or permanent increase in ambient noise levels in the vicinity of the site that exceeds standards established in the local general plan, noise ordinance, or applicable standards of other agencies. Therefore, these topic areas will be evaluated further in the EIR.

c) The closest airport to the project site is the Oceano County Airport that is approximately two miles away and is small with one main take-off and landing strip. Based on the Airport Land Use Plan (ALUP) for the Oceano County Airport, the project is not located within the Airport Land Use Planning Area or noise contours (San Luis Obispo County Airport Land Use Commission 2007). The project would not result in potential impacts associated with safety hazards or excessive noise from aircraft and this topic area will not be evaluated further in the EIR.

Conclusion

The project would involve construction activities and operation of a generator, both of which have the potential to generate noise and vibration levels that may exceed applicable standards. As a result, potential impacts related to noise and vibration will be evaluated in detail in the EIR. The project site is not located within an airport land use plan or within the vicinity of a public or private airstrip; therefore, significant impacts related to airports are not anticipated, and this topic will not be evaluated further in the EIR.

XIV. Population and Housing

Environmental Setting

Arroyo Grande's population has increased from 3,291 in 1960 to 18,441 in 2020, according to the 2020 U.S. Census (US Census Bureau 2020a). More recent data from the U.S. Census Bureau's American Community Survey (2022 5-Year Estimates) indicate a slight increase, with the population estimated at approximately 18,700 residents (US Census Bureau 2022). In 2020, there were 7,628 housing units in Arroyo Grande, representing an increase of 822 units since 2000 (US Census Bureau 2020b). By 2022, this number had grown modestly to approximately 7,800 housing units (US Census Bureau 2022). The majority of these homes, 69 percent, are single-family units. The overall average household size in Arroyo Grande is 2.41 persons, with owner-occupied units averaging 2.45 persons per household and renter-occupied units averaging 2.33 persons per household. This average remains relatively consistent with the city's 1990 average of 2.48 and is slightly lower than California's current average of 2.87 persons per household (California Department of Finance 2025).

There are no residences or residential uses within the project site; however, there are residences and commercial uses adjacent to the project site to the north and east.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☒	☐
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☒

Discussion

a) The project would not develop a new land use or induce population growth or affect the movement or concentration of population in the area. The project consists of the development of a rehabilitation hospital within the existing Arroyo Grande Community Hospital campus and does not include residential uses or other development that would directly increase the city's housing supply or population.

The project is expected to generate approximately 78 new employees, which represents a relatively small increase in employment and would not be expected to result in substantial population growth. Many of these positions would likely be filled by individuals already living within the regional labor market. According to the Plan Arroyo Grande Existing Conditions and Trends Workbook (City of Arroyo Grande 2024), employment in the education, health care, and social assistance sector in San Luis Obispo County is projected to increase by approximately 4,000 jobs between 2020 and 2030, reflecting an anticipated expansion of the regional healthcare workforce. Arroyo Grande residents currently work at several regional hospitals, including Arroyo Grande Community Hospital, French Hospital Medical Center and Sierra Vista Regional Medical Center in San Luis Obispo, and Twin Cities Community Hospital in Templeton. Because only approximately 11.8 percent of Arroyo Grande residents both live and work within the city, many residents commute to jobs elsewhere in the county (City of Arroyo Grande 2024). As a result, some positions associated with the proposed project could reasonably be filled by individuals already residing in Arroyo Grande or nearby communities who currently commute to other healthcare facilities.

The proposed project would not extend roads or other infrastructure that could facilitate additional development or population growth. Impacts would be less than significant, and this topic area will not be evaluated further in the EIR.

b) The project would not result in the displacement of existing housing or otherwise displace people and necessitate the construction of replacement housing and no impacts would occur. Therefore, this topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts to population or housing were identified; therefore, this resource area will not be evaluated further in the EIR.

XV. Public Services

Environmental Setting

Fire Protection Services. The Five Cities Fire Authority (FCFA) was established on July 9, 2010, by a Joint Powers Agreement (JPA) between the cities of Arroyo Grande, Grover Beach, and the Oceano Community Services District to provide fire protection services of these communities. Oceano Community Services District withdrew from the JPA on June 30, 2023. FCFA also provides services to the Town of Halcyon and the Oceano Dunes State Vehicle Recreation Area. FCFA has two stations: one in Arroyo Grande and one in Grover Beach. The Arroyo Grande station (Station 1) is located at 140 Traffic Way and serves as the headquarters for FCFA and serves the city of Arroyo Grande and the greater Arroyo Grande area. The California Department of Forestry and Fire Protection (CAL FIRE) provides fire protection to surrounding communities, as well as back up support in Arroyo Grande. CAL FIRE has four substations in the area, at the following locations: 2391 Willow Road, Arroyo Grande; 450 Pioneer Road, Nipomo; 990 Bello Street, Pismo Beach; and 2555 Shell Beach Road, Pismo Beach.

Police Protection Services. The City of Arroyo Grande's police station is located at 200 North Halcyon Road. In addition to the City police station, the San Luis Obispo County Sheriff's Office substation is located at 1681 Front Street in Oceano and provides backup support within the city of Arroyo Grande. The California Highway Patrol (CHP) office located in San Luis Obispo serves the South County, including the city of Arroyo Grande. The response times of both the Sheriff's Office and CHP can be delayed due to the large coverage area.

Emergency Medical Services. The San Luis Ambulance South County substation, located at 201 Brisco Road in Arroyo Grande, provides southern San Luis Obispo County residents with paramedic services. There are currently two units stationed at the South County substation, which provide South County residents with emergency transportation to and from the Arroyo Grande Community Hospital located at 345 South Halcyon Road.

Schools. The project area is within the Lucia Mar Unified School District (LMUSD). The district serves the City of Arroyo Grande with seven public schools, including three elementary schools, two middle schools, one high school, and one adult school. The San Luis Obispo County Office of Education (SLOCOE) oversees the Arroyo Grande Community School, a public alternative school, within the city limits. In addition to these public schools, there are seven private schools in the city. The closest school to the project site is Harloe Elementary, located approximately 500 feet southwest of the project site on Halcyon Road.

Parks. Ten City parks, a 26-acre sports complex, and a community garden are located within the city of Arroyo Grande. Woodland Park is located on the southwest corner of the project area along. Park facilities are further discussed in Section XV. Recreation, below.

Libraries. The Arroyo Grande Library is located approximately 1 mile northwest of the project site at 800 West Branch Street. The branch library is one of 15 county libraries.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Result in significant environmental impacts from construction associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:	☐	☒	☐
Fire protection?	☐	☒	☐
Police protection:	☐	☒	☐
Schools?	☐	☒	☐
Parks?	☐	☒	☐
Other public facilities?	☐	☒	☐

Discussion

a) The proposed project is consistent with the existing hospital use and surrounding medical facilities. While the project would not directly result in the need for construction of new or expanded public service facilities, project development would result in a marginal cumulative increase in demand on services including fire, police, schools, parks, and libraries. The City has a system of required developer impact fees established to address direct demand for new facilities associated with new development. Potential increases in property tax revenue associated with valuation of the new rehabilitation hospital would also help offset the increased ongoing cost of providing public services. Additionally, the project would be subject to payment of state school development fees. The project would have a less than significant impact on public services. Therefore, these topic areas will not be evaluated further in the EIR.

Conclusion

No significant impacts to public services were identified; therefore, this resource area will not be evaluated in the EIR.

XVI. Recreation

Environmental Setting

The City of Arroyo Grande supports various community and neighborhood parks, as well as multiple designated bikeways and recreational paths. Recreational uses include a 26-acre sports complex that offers lighted tennis courts, little league and softball fields, and soccer and football fields; 10 City parks that offer a variety of active and passive uses, including picnics, barbeques, playgrounds, and entertainment areas; an off-leash dog park; and a community garden. There are also hiking and walking trails along Arroyo Grande Creek and within the James Way Oak Habitat and Wildlife Preserve.

The Arroyo Grande Community Hospital is located in a suburban part of Arroyo Grande with agricultural land to the west and suburban homes to the north, south, and east. Harloe Elementary School is on the south corner of the Arroyo Grande Community Hospital and has an open space known as Woodland Park. Woodland Park has a backstop and 1/3 square mile flat grass area. The next closest parks are about a mile

away to the west of the Hospital. The proposed project would have no impact to the surrounding parks and recreation areas.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities, such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☒	☐
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	☐	☐	☒

Discussion

a) The proposed project would result in a minimal increase in staff and patients at the Arroyo Grande Community Hospital. Given the nature of the facility, most patients are expected to be in recovery and therefore unlikely to visit nearby parks such as Woodland Park. Similarly, hospital staff are expected to remain on-site during work hours. As a result, the project is not anticipated to substantially increase the use of Woodland Park or other local recreational facilities. Therefore, impacts related to the use of existing neighborhood and regional parks or other recreational facilities would be less than significant, and this topic area will not be evaluated further in the EIR.

b) The project does not propose the construction or expansion of recreational facilities. Therefore, there would be no impact, and this topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts related to recreation were identified; therefore, this resource area will not be evaluated further in the EIR.

XVII. Transportation/Traffic

Environmental Setting

This section is based on the Traffic Impact Report prepared by Orosz Engineering Group for the proposed project (Orosz 2024). Regional access to the project site is provided by US 101, a major north-south freeway of statewide importance that traverses the Central Coast. The Arroyo Grande Community Hospital campus is served by a network of arterial and local streets. Halcyon Road, a two-lane arterial running along the west side of the project site, connects US 101 to the southern portion of the city. Fair Oaks Avenue, located just south of the site, is also a two-lane arterial that provides connectivity between Traffic Way (east of US 101) and the Soto Sports Complex and the west side of the city.

According to the City of Arroyo Grande's Circulation Element (2021), the City aims to maintain a minimum automobile Level of Service (LOS) D for all streets and controlled intersections, with policies in place to improve any locations operating at LOS E to LOS D or better. New development that would degrade LOS is required to offset such impacts to the maximum extent feasible. Public transportation in the vicinity includes San Luis Obispo Regional Transit Authority stops at Halcyon Road and Fair Oaks Avenue.

Recent changes to transportation impact analysis under CEQA, as mandated by Senate Bill (SB) 743, shift the focus from measuring congestion (LOS) to evaluating vehicle miles traveled (VMT). SB 743 is intended to support statewide goals for reducing greenhouse gas emissions, promoting multimodal transportation, and encouraging infill development and active transportation. As a result, VMT has replaced LOS as the primary metric for assessing transportation impacts under CEQA.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☐	☒	☐
b) Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?	☐	☒	☐
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☒	☐
d) Result in inadequate emergency access?	☐	☒	☐

Discussion

a) A Traffic Impact Report for the project was prepared in accordance with the City's Multimodal Transportation Study Guidelines. The proposed project is expected to generate up to 1,161 daily vehicle trips, including 93 AM and 88 PM peak hour trips (Orosz 2024). These estimates represent a conservative, worst-case scenario, as the analysis assumes the rehabilitation center operates as a standalone facility, whereas it will actually be integrated into the existing Arroyo Grande Community Hospital operations. Locating the rehabilitation hospital on the existing hospital campus will allow many physicians, staff, and service staff to serve both facilities, reducing the number of primary trips to the facility. A Traffic Impact Report for the project was prepared in accordance with the City's Multimodal Transportation Study Guidelines. According to the Traffic Impact Report, the proposed project is consistent with the city's goals and policies..

The City of Arroyo Grande has adopted the Complete Streets Plan for Halcyon Road, which is currently in the implementation phase. The Complete Streets Plan is designed to improve safety, accessibility, and mobility for all users, including pedestrians, bicyclists, transit riders, and motorists, along Halcyon Road. The project does not propose specific improvements or modifications that would directly implement elements of the Complete Streets Plan. However, the project would not introduce any features or changes that would conflict with the goals or objectives of the plan. The project would maintain existing access and circulation patterns and would not impede the City's ongoing efforts to enhance multimodal transportation options along Halcyon Road.

The project would not conflict with the Complete Streets Plan or any other applicable circulation system policies and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

b) The proposed project was evaluated for consistency with the City's Circulation Element, SB 743, and in coordination for SLOCOG regarding VMT. The analysis determined that the project would not result in a material increase in VMT and that no additional VMT analysis is necessary. Furthermore, the rehabilitation facility captures trips that are currently going elsewhere in the County, or to Santa Maria, and would therefore result in shorter trips and reduce overall county VMT distances. Due to the distance to get to comparable facilities, the project is expected to result in a net decrease in VMT. Further, hospital projects are not applicable project types for VMT analysis which apply to office, retail, and residential projects (Orosz 2024). The project would not conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b) and impacts would be less than significant. This topic area will not be evaluated further in the EIR.

c) The project would result in the minor modification of internal circulation features on-site, including shifting the location of the existing internal roadway and reconfiguration of parking areas to accommodate the new rehabilitation center. No new external access driveways or road improvements are proposed. All project development plans would be subject to review for consistency with City Public Works Standard Specification and Engineering Standards prior to approval. Therefore, project impacts associated with increased hazards due to a geometric design feature would be less than significant and this topic area will not be evaluated further in the EIR.

d) The proposed project would not require any temporary or long-term road closures during construction or operation. Access to the Arroyo Grande Community Hospital campus and adjacent roadways would be maintained at all times, ensuring that emergency vehicles and personnel have unimpeded access to the site and surrounding areas. Construction activities would be coordinated to avoid obstructing primary or secondary access routes used for emergency response or evacuation. The project has been designed to comply with the City and State Fire Code and the project would be subject to review by the Five Cities Fire Authority to ensure adequate emergency access has been provided. Implementation of the project would not result in inadequate emergency access and this topic area will not be discussed further in the EIR.

Conclusion

No significant impacts related to transportation and Traffic were identified; therefore, this resource area will not be evaluated further in the EIR.

XVIII. Tribal Cultural Resources

Environmental Setting

The project site is located within the City of Arroyo Grande, San Luis Obispo County, in a region historically inhabited by Native American groups, including the Chumash and Salinan peoples. The area is characterized by a mix of urban development and open spaces, with the project site itself situated on a previously developed parcel adjacent to the Arroyo Grande Community Hospital campus.

Background research, including a review of the California Native American Heritage Commission (NAHC) Sacred Lands File, indicates that the broader region contains areas of known cultural and tribal significance. The Phase I and Phase II ASR prepared for the project site identified know archaeological resources underlying the proposed project area.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:			
i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	☒	☐	☐
ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☒	☐	☐

Discussion

a-i) As noted in Section V., Cultural Resources, The Phase I and Phase II ASR prepared for the project site identified know archaeological resources underlying the proposed project area. Construction of the project would disturb these resources and result in potentially significant impacts associated with archaeological resources. The evaluation of these resources, including their potential eligibility for inclusion on the California Register of Historic Resources, will be evaluated further in the EIR.

a-ii) In accordance with Assembly Bill (AB) 52, the City of Arroyo Grande has notified local California Native American tribes traditionally and culturally affiliated with the area regarding the proposed project. As of the preparation of this document, consultation is ongoing with the yak titʸu titʸu yak tiłhini Northern Chumash Tribe, Santa Ynez Band of Chumash Indians, Salinan Tribe of Monterey and San Luis Obispo Counties, and the Northern Chumash Tribal Council. This topic area will be evaluated further in the EIR.

Conclusion

Significant impacts related to cultural resources were identified and tribal consultation regarding tribal cultural resources is ongoing; therefore, this resource area will be evaluated further in the EIR. No impacts to historic resources were identified and this topic will not be discussed in the EIR.

XIX. Utilities and Service Systems

Environmental Setting

Water and wastewater services within the city are provided by the City of Arroyo Grande Public Works Department. According to the Urban Water Management Plan for the city of Arroyo Grande from June 2023, the city supplies water to local residents from surface water (primarily Lopez Lake) and groundwater

(City of Arroyo Grande 2020). The project site is with the Northern Cities Management Area for groundwater. Groundwater intrusion is a primary threat to groundwater in the project area. South SLO County Sanitation District collects, treats, and disposes of wastewater for the city of Arroyo Grande at the wastewater treatment plant (WWTP). Currently the WWTP does not produce potable recycled water. Plans are currently in the works to allow for treated water to act as groundwater recharge in the area. The proposed project will connect to the existing City water and wastewater systems.

Within Arroyo Grande, gas is provided by Southern California Gas Company and PG&E. PG&E, in partnership with 3CE, provides electricity to the area.

The city has a franchise agreement with South County Sanitary Service for collection, diversion, and disposal of solid waste and is served by the Cold Canyon Landfill located approximately 4.0 miles north of the city in unincorporated San Luis Obispo County. The Cold Canyon Landfill has an annual throughput of 100,000 to 249,000 tons per year and an annual capacity of 200,000 to 499,999 tons per year (California Department of Resources Recycling and Recovery [CalRecycle] 2017). As of 2015, the Cold Canyon Landfill has 14,500,000 cubic yards of capacity remaining out of its total maximum permitted capacity of 23,900,000 cubic yards (approximately 60% available capacity remaining) (CalRecycle 2017). The estimated closure date for this landfill is 2040.

Would the project:	Potentially Significant Impact	Less Than Significant Impact	No Impact
a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	☐	☒	☐
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry, and multiple dry years?	☐	☒	☐
c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☒	☐
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	☐	☒	☐
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	☐	☒	☐

Discussion

a) The project would include the installation of new water, wastewater, stormwater, and natural gas infrastructure and connections to City infrastructure, including a new water meter and sewer lateral. South Halcyon Road and Fair Oaks Avenue both have 10-inch sewer main lines, which are anticipated to be at or below 50% capacity at build out (City of Arroyo Grande 2012b). South Halcyon Road and Fair Oaks Avenue both have 8-inch water main lines. The new rehabilitation

center has a maximum bed count of 52 patients and would not exceed buildout projections of the water or wastewater systemo. Buildout of the hospital campus has been anticipated and the utilities serving the site were sized to serve the buildout. Construction of the utility connection will follow BMPs and will comply with all local building codes. Following construction of these utility connections, no long-term environmental impacts are anticipated to occur due to utility usage of the project. Therefore, potential environmental impacts associated with construction or extension of existing utilities would be less than significant.

b) According to the Urban Water Management Plan for the City of Arroyo Grande (2023), the City of Arroyo Grande has the right to withdraw 4,330 acre-feet-per-year (AFY) from the Northern Cities Management Area (which includes Arroyo Grande, Grover Beach, and Pismo Beach) and Santa Maria Groundwater Basin and has entitlement to 1,323 AFY groundwater from the Santa Maria Groundwater Basin. Except during drought periods, the groundwater allocation has been sufficient for the City of Arroyo Grande and future planned buildout. From 2016 to 2021, groundwater extraction has declined in an effort to allow the deep well index to recover and prepare for drought conditions. Lopez Lake is the primary source of surface water for Arroyo Grande and has a storage capacity of over 49,200 acre-feet. According to past surface water extractions and climate conditions, the Lopez Lake water supply is extremely reliable with an annual yield of 8,730 AFY. Plans are in place for drought and emergency situations and have been put into practice starting in 2021. The existing hospital uses approximately 5.4 acre-feet of water annually, which represents 0.001% of the City's annual water entitlement. Similar usage by the rehabilitation facility would represent a minimal increase in demand to the City's water supply portfolio. Therefore, potential impacts associated with having sufficient water supplies to serve the project and existing commitments during normal, dry, and multiple dry years would be less than significant and this topic will not be evaluated further in the EIR.

c) The project would be served by the City's wastewater system and would include the installation of a new sewer lateral to connect to existing City sewer infrastructure. According to the City's Wastewater System Master Plan (2012b), sewer flow rates for Office Professional land uses is 457 gallons per day per acre. The additional flow from the new rehabilitation hospital would be approximately 1,782 gallons per day, or approximately 0.0013 percent increase to the average annual wastewater volume, which represents an incremental increase in wastewater demand on the South SLO County Sanitation District. Impact fees are collected at the time building permits are issued to accommodate the project's contribution to the City's South SLO County Sanitation District capacity. The project would not result in a determination by the City that there is not adequate capacity to serve the project's projected demand in addition to the City's existing commitments and this topic area will not be evaluated further in the EIR.

d) Based on waste generation rates identified on the California Department of Resources Recycling and Recovery (CalRecycle) website, hospital land uses generate approximately 16 pounds of solid waste per bed per day (CalRecycle 2025a). Other components of the proposed project, such as the parking and landscaping are not anticipated to generate substantial waste based on their accessory nature to the proposed hospital uses. The project would result in the generation of approximately 832 pounds of solid waste per day. The project has been designed to include solid waste receptacles and enclosures throughout the site. Project solid waste would be collected regularly and would eventually be disposed of at Cold Canyon Landfill. In addition, construction solid waste materials would likely be disposed of at the Cold Canyon Landfill. The Cold Canyon Landfill has approximately 13,100,000 cubic yards of remaining capacity as of February 2020 and

is expected to reach capacity in 2040 (CalRecycle 2025b). The project would not generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals and this topic area will not be evaluated further in the EIR.

e) AB 939 requires that a minimum of 50% of all solid waste be diverted from landfills by recycling, reusing, and other waste reduction strategies, consistent with the State's waste reduction goals. To help reduce the waste stream generated by this project and the City's Development Standards for Solid Waste Services, recycling facilities have been incorporated into the project site design. Therefore, the project would be in compliance with federal, state, and local management and reduction statutes and regulations related to solid waste and this topic area will not be evaluated further in the EIR.

Conclusion

No significant impacts related to wildfire were identified; therefore, this resource area will not be evaluated further in the EIR.

XX. Wildfire

Environmental Setting

Urban fire hazards result from the materials, size, and spacing of buildings, and from the materials, equipment, and activities they contain. Additional factors are access, available water volume and pressure, and response time for fire fighters. Based on the Multi-Jurisdictional Local Hazard Mitigation Plan that encompasses the City of Arroyo Grande, the risk of wildland fires is greatest near the city limits where development meets rural areas of combustible vegetation (City of Arroyo Grande 2015). The areas surrounding the project site are urban and rural which are designated as non-wildland/non-urban and urban unzone for fire risk. The project site is in an urban non-zoned fire severity area. The city of Arroyo Grande has an overall low probability of a wildland fire starting. Most of the high severity zones in Arroyo Grande are in the northern half of the city on the north side of Highway 101.

The City's Safety Element identifies four policies to address the potential hazards associated with wildfire. These policies address pre-fire management, facilities, equipment, and personnel, and readiness and response. The pre-fire management policy includes fuel management around structures, making sure adequate water supplies reach all areas especially high-risk areas. The facilities, equipment, and personal policies present a plan for ensuring adequate facilities, equipment, and personnel are available to meet the demands of fire fighting in the city of Arroyo Grande. The readiness and response policies point to maintaining and improving the fire departments ability to respond to emergency calls and suppress fires with a maximum response time of six minutes within city limits.

Would the project:			
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:	**Potentially Significant Impact**	**Less Than Significant Impact**	**No Impact**
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	☐	☐	☒

Would the project: If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:	**Potentially Significant Impact**	**Less Than Significant Impact**	**No Impact**
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	☐	☐	☒
c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	☐	☐	☒
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	☐	☐	☒

Discussion

a)-d) The project site is in an urban non-zoned fire severity area. The areas surrounding the project site are urban and rural which are designated as non-wildland/non-urban and urban unzone for fire risk. The closest high severity fire hazard areas are north of the project site across Highway 101 and are over ½ a mile from the project site. Therefore, this resource area does not apply to the project.

Conclusion

No significant impacts related to wildfire were identified; therefore, this resource area will not be evaluated further in the EIR.

5. Mandatory Findings of Significance

	Potentially Significant Impact	**Less Than Significant Impact**	**No Impact**
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species; cause a fish or wildlife population to drop below self-sustaining levels; threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of an endangered, rare or threatened species; or eliminate examples of the major periods of California history or prehistory?	☒	☐	☐

	Potentially Significant Impact	Less Than Significant Impact	No Impact
b) Does the project have impacts that are individually limited, but cumulatively considerable? "Cumulatively considerable" means that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of possible future projects.	☒	☐	☐
c) Does the project have environmental effect which will cause substantial adverse effects o human beings, either directly or indirectly?	☒	☐	☐

Discussion

The discussion of biological resources shows that the proposed project would not significantly affect any habitats, plant or animal communities, or threatened or endangered species. The project may have the potential to impact cultural resources which may represent an example of California history or prehistory. The initial study has addressed cumulative impacts under each topic and supports a determination that for most topics, the proposed project would not contribute considerably to significant cumulative impacts. The EIR will address potential impacts, including cumulative impacts, related to the environmental topics of Air Quality, Biological Resources (nesting birds only), Cultural Resources, Noise, and Tribal Cultural Resources.

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