

**EL DORADO COUNTY
PLANNING AND BUILDING DEPARTMENT
PLANNING COMMISSION
STAFF REPORT**



Agenda of: May 11, 2023

Item No.:

Staff: Rob Peters

DEVELOPMENT AGREEMENT

FILE NUMBER: DA22-0001/East Ridge Village

APPLICANT: Michael J. McDougall, MJM Properties, LLC

OWNER: East Ridge Holdings, LLC

ENGINEER: CTA Engineering and Surveying

REQUEST: Community Benefit and Development Agreement for East Ridge Village

LOCATION: Approximately 2,600 feet east of Valley View Parkway and its intersection with White Rock Road, in the El Dorado Hills Community Region, Supervisorial District 2 (Exhibit A).

APN: 119-390-01 through -75 (Exhibit B)

ACREAGE: 734 acres

GENERAL PLAN: Adopted Plan (AP), Valley View Specific Plan (VVSP) (Exhibit C)

ZONING: VVSP Zoning Districts: Estate Residential District Large Lot (ER-LL), Estate Residential 1 units/acre minimum (ER-1), Estate Residential 2 units/acre (ER-2), Multi Use Open Space (MOS) and Open Space (OS) (Exhibit D)

ENVIRONMENTAL DOCUMENT: Previously certified Environmental Impact Report (EIR) and subsequent California Environmental Quality Act (CEQA) Exemption. The project is a part of the VVSP for which an EIR

(State Clearing House No. 97082008) was certified. The 1998 VVSP EIR and 2015 Notice of Exemption under CEQA Guidelines Section 15182 for the East Ridge Village Tentative Subdivision Map (TM14-1521) continues to be the relevant and adequate environmental analysis to address the impacts of completing the development of the East Ridge Project

RECOMMENDATION: Staff recommends the Planning Commission make a recommendation to the Board of Supervisors to take the following actions:

1. Find that the 1998 VVSP EIR and the 2015 Notice of Exemption under CEQA Guidelines Section 15182 for the East Ridge Village Tentative Subdivision Map (TM14-1521) continues to be the relevant and adequate environmental analysis to address the impacts of completing the development of the East Ridge Village Project pursuant to California Public Resources Code Section 21166 and CEQA Guidelines Section 15162.
2. Enter and execute Development Agreement DA22-0001 between the County of El Dorado and East Ridge Holdings, LLC, El Dorado Land Ventures, LLC, and Valley View Realty Investments, LLC, for East Ridge Village, based on the attached Findings as presented.

EXECUTIVE SUMMARY

On February 14, 2023, the Chief Administrative Officer and Auditor-Controller recommended that the Board of Supervisors 1) Conceptually approve a 10-year Development/Community Benefit Agreement (DA) with East Ridge Holdings (the applicant) assuming the final DA provides assurances that the County will receive a \$500 per home community benefit fee and the requirement that the applicant will assist the County with the formation of a new Community Facilities District (CFD) that requires that all excess CFD special taxes be transferred to the County Road Fund; 2) Direct staff to send the draft 10-year DA to the Planning Commission for review as soon as is practical; 3) Direct the County's Bond Screening Committee to prepare and review the necessary resolutions to amend, revise, and/or replace, as appropriate, the existing CFD with a new CFD; and 4) Direct staff to time the Board consideration of the 10-year DA action with the final CFD actions. The Board unanimously adopted the recommendation.

The project applicant is requesting approval of a Community Benefit and Development Agreement for East Ridge Village (2023 DA) (Exhibit I), a planned community within the Valley View Specific Plan (VVSP). The proposed development agreement would extend the life of East Ridge Village Tentative Subdivision Map for 10 years, establishing the new expiration date of June 11, 2034. No changes to the East Ridge Village Tentative Subdivision Map are being proposed and the project would be developed under existing conditions.

Approval of the request would be evaluated by the Board of Supervisors (Board) along with a request to abandon the existing Community Facilities District No. 2015-1 (East Ridge) (2015

CFD); formation of a new Community Facilities District No. 2023-1 (East Ridge) (2023 CFD); and, authorize bonding authority for the purpose of financing, in part, certain development fees and to advance funds for certain public improvements, including payment of certain fees to prescribed public entities other than the County.

The Project will provide County-wide benefits, as more fully detailed in the 2023 DA, including a community benefit fee of \$500.00 per dwelling unit, and pay-as-you-go (PAYGo) special tax revenues to the County beginning in the first year a special tax is levied in the 2023 CFD for the purposes of County roadways subject to improvement through the El Dorado County Road Fund

BACKGROUND

On December 8, 1998, the Board adopted Ordinance No. 4517 approving the VVSP and certified the Environmental Impact Report (EIR) (State Clearing House No. 97082008) for the VVSP. The VVSP is a master planned community consisting of approximately 2,037 acres and including approximately 2,840 dwelling units. On that same date, the Board approved the 1998 VVSP Development Agreement (VVSP DA) (Exhibit H).

Development of the VVSP has continued since its approval and approximately 2,138 dwelling units of the approximately 2,840 approved dwelling units have been entitled or constructed in area commonly referred to as the Blackstone Community (aka West Valley Village). Much of this development occurred consistent with the VVSP DA which expired on approximately January 7, 2019.

East Ridge Village is within the VVSP and has an approved Tentative Subdivision Map (TM14-1521), approved by the Planning Commission (PC) on June 11, 2015 (Legistar Item #15-0660, Version 1, Exhibit E), that would create approximately 759 lots consisting of 701 residential lots, 41 landscape lots, 12 roadway lots, 2 recreational park lots, a sewer lift station lot, a water tank lot, and a pump station lot. The original expiration date for the Tentative Subdivision Map was June 11, 2018. The East Ridge Tentative Subdivision Map underwent a CEQA compliance review in accordance with the process set forth in the VVSP EIR. Various CEQA studies were prepared, including traffic, noise, biological and environment air quality, and greenhouse gas based upon the most current standards. Accordingly, mitigation measures from these studies were incorporated as conditions of approval to the tentative map (Exhibit F). A Notice of Exemption under CEQA Guidelines Section 15182 for the East Ridge Village Tentative Subdivision Map (TM14-1521) was filed on June 15, 2015.

Since approval of the Tentative Subdivision Map, on December 15, 2015, the Board approved a Final Map for the East Ridge Village Large Lot Tentative Subdivision Map (TM14-1521-F, Legistar Item #15-0660, Version 2, Exhibit G), creating 65 lots for financing and phasing purposes. Most recently, on July 13, 2017, the PC approved six one-year discretionary time extensions for the Tentative Subdivision Map (TM14-1521-E) (Legistar Item #15-0660, Version 3), resulting in the current expiration date of June 11, 2024 and exhausting all available discretionary extensions.

Pursuant to the 1998 VVSP DA and the Mello-Roos Community Facilities Act of 1982, and at the request of property owners, on October 20, 2015, the Board formed Community Facilities District No. 2015-1 (East Ridge) (2015 CFD) (Legistar Item #15-1041) and authorized bonding authority for the 2015 CFD for the purpose of financing in part certain development fees and to advance funds for certain public improvements, including payment of certain fees to prescribed public entities other than the County.

PROJECT DESCRIPTION

The Project includes a request to approve a Community Benefit and Development Agreement for East Ridge Village (2023 DA) (Exhibit I), a planned community within the VVSP. The East Ridge Village Tentative Subdivision Map (TM14-1521) (Exhibit E) would create approximately 759 lots consisting of 701 residential lots, 41 landscape lots, 12 roadway lots, 2 recreational park lots, a sewer lift station lot, a water tank lot, and a pump station lot. The current expiration date for the Tentative Subdivision Map is June 11, 2024. The proposed development agreement would extend the life of East Ridge Village Tentative Subdivision Map for 10 years, establishing the new expiration date of June 11, 2034. No changes to the East Ridge Village Tentative Subdivision Map are being proposed and the project would be developed under existing conditions. The Board conceptually approved the 2023 DA on February 14, 2023.

Consideration of the request for approval of the 2023 DA would be evaluated along with the abandonment of the existing Community Facilities District No. 2015-1 (East Ridge) (2015 CFD) and formation of a new Community Facilities District 2023-1 (East Ridge) (2023 CFD) which would continue to authorize bonding authority for the purpose of financing in part certain development fees and to advance funds for certain public improvements, including payment of certain fees to prescribed public entities other than the County. The Project will provide County-wide benefits, as more fully detailed in the 2023 DA, including a community benefit fee of \$500.00 per dwelling unit, and pay-as-you-go (PAYGo) special tax revenues to the County beginning in the first year a special tax is levied in the 2023 CFD for the purposes of County roadways subject to improvement through the El Dorado County Road Fund. Exhibit J of this Staff Report includes the Draft CFD 2023-1 Use of Funds Agreement.

ANALYSIS

DAs are authorized by Government Code Sections 65864 through 65869.5 and County Zoning Ordinance (Zoning Ordinance) Chapter 130.58 and require adoption by ordinance. The purpose of a development agreement “is to provide assurance to an applicant for a development project that upon approval of the project the applicant may proceed in accordance with existing policies, rules and regulations, and subject to conditions of approval, will strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs of development” (Zoning Ordinance Section 130.58.010). The review authority for evaluating a DA is outlined in Zoning Ordinance Section 130.58.030 and requires the PC to review and provide a recommendation on approval of a DA to the Board. The Board must approve the DA by ordinance. The proposed DA is being provided to the PC for its review and recommendation in accordance with Section 130.58.030.

The proposed draft 2023 East Ridge Development Agreement (2023 East Ridge DA) was developed through negotiations between the applicant and County staff, County Counsel, and the Chief Administrative Officer's office. The proposed DA would vest rights to the developer to develop the project as approved by the County, in conformance with the County rules, regulations, policies, standards, specifications, and ordinances in effect on the date of adoption of the ordinance for the DA. As proposed, the DA would extend the life of the project for 10 years and would include a community benefit fee of \$500.00 per dwelling unit paid at the building permit. The final terms are subject to Board approval, and the 2023 East Ridge DA was conceptually approved by the Board on February 14, 2023 (Legistar Item 23-0347).

In accordance with the Subdivision Map Act, the applicant is proceeding with the preparation of the first small lot final map to ensure the approved tentative map does not expire. Section 66452.6 shall extend the expiration of the approved tentative map by 48 months from the date of its expiration, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval. In effect, the applicant could extend the tentative map for a period of 10 years by filing subsequent final maps. However, given the current economic climate and unstable construction costs, the applicant is seeking a DA extension to develop the property in a stable economic environment. If the DA extension request is denied by the County, the applicant will finalize the first small lot final map prior to the map expiration. The project would no longer be required to pay the \$500.00 unit community benefit fee nor change the CFD PAYGo structure.

To provide for the County receiving funds from the CFD, modifications to the CFD are required, therefore, the applicant is requesting that the 2015 CFD be abandoned and that County form the new 2023 CFD on updated terms. Approval of the Project will provide County-wide benefits, as more fully detailed in the Development Agreement and Use of Funds Agreement, including the \$500.00 community benefit fee, and PAYGo special tax revenues to the County beginning in the first year a special tax is levied in the 2023 CFD for the purposes of County roadways subject to improvement through the El Dorado County Road Fund.

PAYGo funds are those funds remaining after all county costs and debt services have been paid. Presently, the 2015 CFD provides for the landowner to receive PAYGO funds for the first 10 years. Under the proposed 2023 CFD, PAYGo funds would go to the County in the first year of bond issuance, and the County and landowner are agreeing to a new revised tax rate to reflect current market conditions.

El Dorado County General Plan (General Plan) Consistency: General Plan Land Use Element Policy 2.2.5.2 requires all discretionary projects to be reviewed for consistency with applicable General Plan Policies. The General Plan designates the subject site as Adopted Plan (AP), identifying areas where Specific Plans have been designated and adopted within the County. East Ridge Village is located within the VVSP. Since the VVSP has been incorporated by reference under General Plan Policy 2.2.1.2 (General Plan Land Use Designation), it has been deemed consistent with the General Plan. As discussed below, the proposed East Ridge Development Agreement has been deemed to be consistent with the VVSP. General Plan Findings have been included in the attached Findings Section 2.0.

Valley View Specific Plan (VVSP) Consistency: The proposed 2023 DA supports an approved and currently active tentative subdivision map that has been designed consistent with VVSP applicable policies and development standards for East Ridge. The 2023 DA proposes no changes to the approved tentative subdivision map and has therefore been determined to be consistent with the VVSP. VVSP Findings have been included in the attached Findings Section 3.0.

Zoning Ordinance Consistency: Staff has determined that the proposed 2023 DA is consistent with all applicable standards and requirements of the Zoning Ordinance. Specifically, Zoning Ordinance Section 130.58 describes the process and requirements for processing a Development Agreement. The proposed 2023 DA has been processed in conformance with specific policies and requirements of Section 130.58, including making the specific findings outlined in Section 130.58.040. Zoning Ordinance and Development Agreement Findings have been included in the attached Findings Sections 4.0 and 5.0, respectively.

ENVIRONMENTAL REVIEW:

Under California Public Resources Code section 21166 and CEQA Guidelines section 15162, an agency that proposes to approve further discretionary entitlements for a project for which an environmental impact report was previously certified must consider whether there are changes to the project, the circumstances surrounding the project, or new information that was not available at the time the project was previously reviewed that indicate the further discretionary entitlements would result in new significant impacts or substantially more severe significant impacts than were previously analyzed. If there are such impacts, then a subsequent or supplemental EIR must be prepared. If there are no such impacts, no further environmental review shall be prepared.

Neither the 2023 DA nor the 2023 CFD would, if approved, result in changes to the land uses, development intensities and densities, or the location of development contemplated in the VVSP. Rather, the 2023 DA and 2023 CFD would simply update the funding mechanisms that will enable the previously approved improvements and infrastructure to be completed. There are no new or different physical changes in the environment that would result from approving the requested agreements that were not already analyzed and disclosed in the 1998 VVSP EIR. Therefore, the County may conclude that the 1998 VVSP EIR continues to be relevant and adequate to address the impacts of completing the development of the East Ridge Project as contemplated in the VVSP and the 2023 DA and 2023 CFD.

SUPPORT INFORMATION

Findings

Exhibit A.....	Location Map
Exhibit B.....	Assessor’s Map Book 119 – Page 39
Exhibit C.....	General Plan Land Use Map
Exhibit D.....	VVSP Land Use Plan
Exhibit E.....	Approved Tentative Subdivision Map (TM14-1521)
Exhibit F.....	TM14-1521 Conditions of Approval
Exhibit G.....	Approved Large Lot Map (TM14-1521-F)
Exhibit H.....	VVSP Development Agreement (Expired)
Exhibit I.....	Draft 2023 Development Agreement
Exhibit J.....	Draft Use of Special Tax Funds Agreement CFD 2023-1 (East Ridge)