

## REPORT TO THE CITY COUNCIL

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**DATE:** September 18, 2018

**TITLE:** Development Agreement No. 02-18 Between the City of Desert Hot Springs and Adkan Engineering for the Future Development of the Mission Creek Trails Residential Subdivision Project Located on APN 667-050-011 and Within the Rancho Royale Specific Plan West of Highway 62

**Prepared by:** Scott Taschner, GISP, Senior Planner

**Reviewed by:** Daniel Porras, Community Development Director

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### RECOMMENDATION

- 1) Staff Report;
- 2) Entertain Questions of Staff from City Council;
- 3) Open the Public Hearing;
- 4) Take testimony from Applicant;
- 5) Take testimony from those in favor;
- 6) Take testimony from those opposed;
- 7) Take testimony from those in a neutral position;
- 8) Opportunity for Applicant rebuttal;
- 9) Close the Public Hearing;
- 10) City Council discussion and questions to Staff; and
- 11) Consider a recommendation from the Planning Commission to the City Council to: A) Adopt the Addendum to the previously-certified Final Environmental Impact Report (FEIR) for the Rancho Royale Specific Plan (SCH #92042024), in accordance with the California Environmental Quality Act (CEQA); B) approve Development Agreement No 02-18; and C) introduce and approve for first reading, an Ordinance of the City of Desert Hot Springs approving the Development Agreement (by and between the City of Desert Hot Springs and Edy P. Adkison and Judith Elizabeth Adkison, and Martha Ruiz-Snell) related to Tentative Tract Maps 35009 & 35448 & Specific Plan 01-92, subject to the attached conditions of approval. APN 667-050-011.

### PRIOR ACTIONS

On August 28, 2018 the Planning Commission made a motion to recommend approval of the Development Agreement to the City Council, subject to the following:

- The developer shall complete the park after the completion of the 250 homes (rather than after completion the 500 homes)
- The developer shall add a walking trail within the 500-foot buffer area that backs up to the Sand to Snow National Monument
- The homes that back up to the buffer area to be single-family and single-story, and that 30% have California rooms incorporated into the rear of the units.

### BACKGROUND

The Mission Creek Trails Subdivision is part of the Rancho Royale Specific Plan, which was approved by the City Council in 1993. The Mission Creek Trails Project and associated Tentative Tract Maps 35448 and 35009 were originally approved by the Planning Commission on July 10, 2007. The Tentative Maps proceeded to the City Council and were approved on August 7, 2007. With the downturn in the economy, the California State Assembly, State

Senate, and Governor(s), approved five (5) various Assembly Bills and Senate Bills giving projects that qualified (under specific conditions) automatic extensions of the approved maps. In October of 2015, the passage of AB 1303 included a condition that the county in which the map was approved cannot exceed 80% of the mean annual household income in comparison to the state level. According to the 2013 American Community Survey published by the US Census Bureau, Riverside County's mean annual household income level is at 89% when compared to the state level. Therefore, previously approved maps in Riverside County no longer qualified for automatic extensions, forcing the property owner to submit for a time extension with the City in order to keep the entitlements in place.

On August 1, 2016, Adkan Engineering ("Applicant") applied for the Extension of Tentative Tract Maps 35448 and 35009. For ease, the extension of time for both tentative maps shall herein be referred to as the "Extension." On November 22, 2016, the Planning Commission held a hearing on the Extension. After the hearing, Planning Commission denied the Extension based on the following findings:

- 1) There has been a change in environmental factors, as the project is too close in proximity and access to the nearby Sand to Snow Monument Park; and
- 2) The project is too close to open space; and
- 3) The project is too dense for its location; and
- 4) The project creates traffic issues because there would be difficulty accessing the project off highway 62;
- 5) The project has great impacts, causing the need for major infrastructure (road) upgrades, which are not proposed;
- 6) There are water shed issues (which were not elaborated upon);
- 7) There are view issues (which were not elaborated upon);
- 8) Because of the above, the project is a negative impact on that location.

On December 6, 2016, the Applicant filed an appeal of the Planning Commission to the City Council and the Council voted 2-2-1. The Applicant has been working with the City in attempting to redesign its Maps to contemplate and mitigate some of the concerns heard from both the Planning Commission and the City Council, ultimately creating a project which is less dense and incorporates more amenities.

Currently, before the City Council is a Development Agreement. If the Development Agreement is approved, the actual tentative map(s) will move forward at a later date in compliance with the terms and conditions contained within the Development Agreement.

The Desert Hot Springs Municipal Code (17.84 Development Agreements) and State law provide that the City and a developer may enter into a development agreement for the purpose of providing the developer general assurances and vesting of their project. In exchange, the City receives certain benefits in the form of revenue, improvements, etc. that the City could not otherwise legally impose on the particular project. Such reasons include, but are not limited to, (a) the lack of a nexus between a certain condition of approval and the scope of the project's impacts on the environment or surrounding neighborhood or (b) the legal exclusion of a certain use from the imposition of certain fees or taxes.

On June 12, 2018, the applicant filed a Development Agreement and application with the Planning Department. Staff has reviewed the proposed Development Agreement, which incorporates changes to the original proposed project, and found the changes to be in conformance with the Rancho Royale Specific Plan and the City's General Plan.

The Development Agreement contemplates changes to original proposed project to mitigate concerns and to incorporate some of the suggestions that the Planning Commission and City

Council made during deliberations at the previous hearings and in other discussions. Although not an exhaustive list, some of the significant changes contained in the Development Agreement are as follows, and can generally be found in Exhibit C “Development Plan” to the proposed Development Agreement:

- The project shall not exceed a total density of 1,998 dwelling units (a lower density than originally proposed).
- The project eliminates various lots and proposes, in their place, an active park and recreational center with a 5.9 acre recreational center and a 9.64 acre active park.
- The parks would include baseball fields, soccer fields, and meandering walkways.
- The project dedicates land to the Sand to Snow Monument.
- The project improves Mission Creek Boulevard, including incorporation of higher- end design elements like decorative block walls and boulders, a 10-foot wide multi-purpose trail within the Mission Creek right- of-way, improved medians, and increased refuse control maintenance.
- The project requires that the Applicant donate up to 1 acre of land for a visitor center, with a \$30,000 cash donation for visitor center improvements.
- The project has removed lots on the northeast side of the project to create a 500- buffer adjacent to the Sands to Snow National Monument.

#### Public Agency Review

- The proposed project was routed to all relevant public agencies and departments for review.

#### Public Hearing Notice

- The project was noticed to neighboring owners within a 300-foot radius of the project site on Thursday, September 6, 2018.
- It was advertised in the Desert Star Weekly on Friday, September 7, 2018 per state noticing requirements.
- No public comments have been received as of this writing on September 11, 2018.

#### Environmental Analysis

The applicant has provided Addendum No. 4 to the certified Final Environmental Impact report (FEIR) for the Rancho Royale Specific Plan (SCH # 92042024) in accordance with the California Environmental Quality Act (CEQA).

State CEQA Guidelines section 15164 requires lead agencies to prepare an addendum to a previously certified EIR if some changes or additions to the project are necessary, but none of the conditions requiring preparation of a subsequent EIR are present. The Planning Commission has reviewed and considered the EIR and Addendum and recommends that the City Council find the following:

1. That the EIR and Addendum taken together contain a complete and accurate reporting of all of the environmental impacts associated with the project.
2. Based on the substantial evidence set forth in the record, including but not limited to the EIR and the Addendum, that none of the conditions under State CEQA Guidelines

section 15162 or 15163 requiring subsequent environmental review have occurred because the project:

- a) will not result in substantial changes that would require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
  - b) will not result in substantial changes with respect to the circumstances under which the Project is developed that would require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and
  - c) does not present new information of substantial importance that was not known and could not have been known with the exercise of reasonable diligence at the time the EIR documents were certified or adopted, shows that the project will have one of more significant effects not discussed in the previous EIR, significant effects previously examined will not be substantially more severe than shown in the previous EIR, or mitigation measure or alternatives that were previously found not to be feasible or that are considerably different from those analyzed in the previously certified EIR would substantially reduce one or more significant effects on the environment, but the project proponent declines to adopt the mitigation measure alternative.
3. Based on information provided in the EIR Addendum, no new significant impacts would occur as a result of the proposed project, nor would there be any substantial increase in the severity of any previously identified adverse environmental impacts.

The FEIR and Addendum No.4 are attached as Exhibit Nos. 11 and 12

#### **FISCAL IMPACT**

The proposed applicant has paid all required fees for the processing of the Development Agreement.

#### **EXHIBITS:**

- 1) Draft Conditions of Approval
- 2) Development Agreement
- 3) Draft Ordinance
- 4) Location Map
- 5) Views from Site
- 6) Final Certified EIR for the Rancho Royale Specific Plan
- 7) Addendum No. 4 to the FEIR
- 8) Rancho Royale Specific Plan (pt. 1)
- 9) Rancho Royale Specific Plan (pt. 2)