



Agenda Report

File #: 18-2223

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 11/7/2018

TO: Honorable Mayor and City Council Members

FROM: Community Development Department

SUBJECT:

City Council consideration of Ordinance No. 3287, for DA2018-0001 a Development Agreement between the City of Corona and Richland Ventures, Inc. establishing the vested right to develop 292 single family residential units on 249.5 acres approved by Tentative Tract Map 36544 on February 1, 2017 in the R-1-7.2 (Single Family Residential, 7,200 square foot minimum lot size) zone, ensure installation of necessary public improvements and assure development of the project on the project site, (generally located south of Foothill Parkway and west of Trudy Way), is done in accordance with the terms and conditions of the Agreement. (Applicant: Richland Ventures, Inc.)

RECOMMENDED ACTION:

That the City Council:

1. Introduce by title only and waive full reading for consideration of Ordinance No. 3287, first reading of an ordinance approving a Development Agreement with Richland Ventures, Inc. for the development of 292 single family residential homes on 249.5 acres of land (generally located south of Foothill Parkway and west of Trudy Way), in Corona, California, pursuant to California Government Code Section 65865 *et seq.* (DA2018-0001)

ANALYSIS:

Richland Ventures requested to enter into a development agreement with the city that would give them the vested right to proceed with the development of TTM 36544. TTM 36544 subdivides 249.5 acres into 292 single family residential lots in the R-1-7.2 (Single Family Residential, 7,200 square foot minimum lot size) zone, generally located south of Foothill Parkway and west of Trudy Way. TTM 36544 was approved by the City Council on February 1, 2017, which also included the certification of an Environmental Impact Report (EIR) for the project. The City Council at its meeting on October 17, 2018, granted TTM 36544 an extension of time for four years. The tentative map is set to expire on February 1, 2023, if the final map is not recorded prior to the expiration date.

The Agreement would give Richland Ventures the vested right to proceed with the development for a period of 10 years and in exchange would provide commensurate public benefit. The 10-year term

includes, but not in addition to, the four years already granted by the extension of time. The term of 10 years would begin on the effective date of the Agreement. The reason for the request was to allow more time than allowed by the Subdivision Map Act on the tentative tract map. Section 66452.6 (a)(1) of the Act states a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement. The Agreement gives Richland more time to sell the entitled tentative tract map to a homebuilder while at the same time afford them the ability to evaluate the housing market in the coming years. In vicinity of the project site near Green River Road, Sierra Bella is a new single family residential community containing 237 single family lots on lot sizes very similar to the tentative tract map processed by Richland. The Sierra Bella community is currently under construction and the first phase of new home sales are expected to be released at the end of Year 2018 or start of Year 2019. In order not to oversaturate the area with new housing, Richland is requesting additional time on the tentative tract map rather than having to reinitiate the tentative tract map process in four years if the map is not recorded.

Development Fees

The Agreement does not cap or freeze existing development impact fees and does not limit the city from imposing new development impact fees on the project. The developer of the project site will be responsible for paying development impact fees pursuant to Title 16 of the Corona Municipal Code at the amount in effect at the time of payment. The city's ordinance allows the fee to be paid at any time prior to the issuance of a building permit.

Pass-through development impact fees are listed in subsection 4.11.2 and the Agreement does not limit the city nor the authority of a government agency other than the city from collecting new development impact fees or an increase imposed on existing development impact fees. Pass through fees generally include Western Riverside County's Transportation Uniform Mitigation Fee and Multiple Species Habitat Conservation Plan Fee. The developer of the project will be responsible for paying the amount in effect at the time of payment.

Subsection 4.12 allows the developer to pre-purchase sewer and water capacity for the project at the city's current sewer and water connection fee rate at any time before the City Council considers adopting a raise in the rate. If the developer does not purchase enough capacity before a new rate is adopted, the developer would be responsible for paying the rate in effect at the time of payment for the additional capacity.

Public Benefit from Agreement

Maintenance of Off-site Public Park Facilities (Subsection 5.4)

The developer agrees to annex the project site into Community Facilities District 2016-3 (CFD 2016-3) and also agreed that \$55,188 per year from the annual special taxes levied by the CFD on the property shall be contributed toward maintaining public parks within the city. The city will have sole discretion on the use of the park maintenance funds. The annual park maintenance contribution is in addition to any Quimby fee or parkland development impact fee required for the project pursuant to Title 16 of the CMC. Also, the developer would not be eligible for any credit, reimbursement or offset towards any Quimby fee or parkland development impact fee otherwise imposed upon the project.

In the event CFD 2016-3 is not formed by the city, the developer shall have no obligation to pay the

annual park maintenance fee. However, if the CFD is not formed to finance the annual park maintenance fee, the agreement would automatically terminate and be of no further force.

Park Improvement Contribution (Subsection 5.5)

The Agreement requires the developer to pay to the city a park improvement contribution in the amount of \$250,000 to finance the construction of park and trail improvements or be used for the benefit of the public at the sole discretion of the city. If a CFD is formed for the property, the park improvement contribution may be paid from the CFD proceeds provided that the CFD is formed prior to the recordation of the first of the three phased final maps for the project. Like the annual park maintenance contribution described above, the park improvement contribution would be in addition to any Quimby or parkland development impact fee required for the project and the developer would not be eligible for any credit, reimbursement or offset towards those fees. Based on the current Quimby fee of \$12,708/unit, the applicant would pay \$3.71 million.

In the event a CFD is not formed or the park improvement contribution is not paid from CFD proceeds, the park improvement contribution shall be payable in three installments prior to the recordation of each of the three phased final maps for TTM 36544. The payment shall be on a per residential unit basis, at the rate of \$856.17 per unit. For example, if the first phase final map consists of 100 single family residential lots, \$85,617 would be paid to the city prior to the recordation of the final map for phase one.

Maintenance of Foothill Parkway Landscaping (Subsection 5.6)

The original conditions of approval for TTM 36544 did not require the project's Homeowners' Association to maintain the slopes on Foothill Parkway adjacent to the project site. In the purchase and sale agreement between the city and the developer for the acquisition of property associated with the rights-of-way for Foothill Parkway, the city agreed to maintain the slope areas created along this road. However, with this Agreement, the city negotiated with the developer to have the hydroseeded slopes, which are mostly non-irrigated, on both sides of Foothill Parkway in certain areas adjacent to and near the project site to be maintained by the project's HOA. The Agreement requires the developer to include in the CC&Rs the obligation of the HOA to maintain, repair and replace the landscaping and any associated irrigation improvements, including without limitation the non-irrigated slopes, the irrigated parkways and irrigated street median within a certain portion of Foothill Parkway. Exhibit C of the Agreement shows the locations of the maintenance areas along Foothill Parkway. The estimated cost is \$83,000 to \$95,000 a year to maintain these areas. This would alleviate the cost assumed by the city for the maintenance.

The Agreement also provides for the developer to include in a CFD, should one be formed, a contingency special tax that will be levied to satisfy the Foothill Parkway Maintenance Obligation in the event the homeowners' association fails to adequately maintain the identified portion of Foothill Parkway.

It is also worth mentioning the developer's previous contribution toward the city's preparation of a trails inventory plan. The developer entered into a funding agreement with the city for the preparation of the document on April 30, 2018, and since then made a one-time payment in the amount of \$71,904 to the city. The city retained consultant KTUA to prepare the trails master inventory. The preparation of the document is currently in process.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The applicant has paid all the required application processing fees.

ENVIRONMENTAL ANALYSIS:

The City Council certified an Environmental Impact Report on February 1, 2017, for TTM 36544. The City of Corona has determined that no additional environmental review is necessary in connection with its consideration of this Development Agreement, as there will be no change to the existing project approval or circumstance that would require further environmental review pursuant to CEQA Guidelines § 15162.

PLANNING AND HOUSING COMMISSION ACTION:

At its meeting of October 22, 2018, the Planning and Housing Commission considered the subject matter and took the following action:

Motion was made, seconded (Jones/Dunn) and carried unanimously, that the Planning and Housing Commission recommend approval of DA2018-0001 to the City Council based on the findings contained in the staff report. The minutes of the Planning and Housing Commission meeting are included as Exhibit 4.

PREPARED BY: JOANNE COLETTA, COMMUNITY DEVELOPMENT DIRECTOR

REVIEWED BY: DEAN DERLETH, CITY ATTORNEY

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER

Exhibits

1. City Ordinance No. 3287 (Development Agreement attached).
2. Locational
3. Planning and Housing Commission Staff Report.
4. Draft Minutes of the Planning and Housing Commission meeting of October 22, 2018.

APPLICANT INFORMATION

Richland Ventures, Inc., 3161 Michelson Drive, Suite 425, Irvine, CA 92612