



City of Rialto

Legislation Text

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For the City Council Meeting of [August 13, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Robb Steel, ACA/Development Services Director

Request City Council to Set a Public Hearing for **September 10, 2019** to: (i) Repeal Resolution No. 7277 and approve a Revised Addendum to the Lytle Creek Ranch Specific Plan (LCRSP) Final Environmental Impact Report; (ii) Repeal Ordinance No. 1598 and re-approve the LCRSP Amendment (SPA 2017-0002) to eliminate Neighborhood I, modify the land use configuration of Neighborhoods II and III, and update the text, tables, and maps; and (iii) Repeal Resolution No. 7278 and re-approve Tentative Tract Map No. 20092 (TTM 2017-0005) to create six (6) developable lots, one (1) remainder lot, and thirteen (13) lettered lots for public open space, utilities, and infrastructure on a 188-acre portion of Neighborhood II to facilitate a 776 lot residential subdivision.

BACKGROUND:

Applicant

Lytle Development Company, 285 West Rialto Avenue, Suite B, Rialto, CA 92376

Location

The Lytle Creek Ranch Specific Plan (LCRSP) is generally located on the north side of Lytle Creek Road, Riverside Avenue, and Sycamore Avenue. (**Attachment A**).

Zoning

The table below identifies the land uses of the proposed specific plan amendment and tentative tract map and their corresponding zoning designations:

LAND USE

EXISTING ZONING..... LYTLE CREEK RANCH SPECIFIC PLAN

PROPOSED ZONING..... LYTLE CREEK RANCH SPECIFIC PLAN (AMENDED)

ADJACENT LAND USE

NORTH: VACANT/FLOOD CONTROL (COUNTY OF SAN BERNARDINO)

EAST: COMMERCIAL/INDUSTRIAL (COUNTY OF SAN BERNARDINO)

SOUTH: SINGLE FAMILY RESIDENTIAL (CITY OF RIALTO)

WEST: SINGLE FAMILY RESIDENTIAL (COUNTY OF SAN BERNARDINO)

Previous Actions and Entitlements

The Lytle Creek Ranch Specific Plan Environmental Impact Report and Recirculated Portions of the Environmental Impact Report (State Clearinghouse #2009061113) (collectively, "LCRSP EIR") were adopted by the City Council on August 14, 2012.

On July 25, 2017, the City Council approved several actions related to the formation of a Community Facilities District for the LCRSP: a Deposit and Reimbursement Agreement with Lytle Development Company, a Professional Services Agreement for financial advisory services, Bond Counsel services, and a Professional Services Agreement for special tax consulting services.

In February 2018, the City Council adopted an Addendum to the LCRSP EIR, approved a specific plan amendment to the LCRSP (SPA 2017-0002), and approved Tentative Tract Map No. 20092 (TTM 2017-0005), as detailed in the following chart:

Application	Purpose	Approval
Addendum to the LCRSP EIR	To affirm that the scope of the proposed specific plan amendment and subdivision is analyzed under the LCRSP EIR, in accordance with the California Environmental Quality Act	Resolution No. 7277
Specific Plan Amendment (SPA 2017-0002)	To eliminate Neighborhood I; modify the land use configuration of Neighborhoods II and III; and update text, tables and maps of the LCRSP	Ordinance No. 1598
Tentative Tract Map No. 20092 (TTM 2017-0005)	To create six (6) developable lots, one (1) remainder lot, and thirteen (13) lettered lots for public open space, utilities, and infrastructure	Resolution No. 7278

For purposes of this report, the proposed Specific Plan Amendment and TTM No. 20092 are collectively called the “Project.”

Lawsuit

In March 2018, two environmental groups, Endangered Habitats League and Save Lytle Creek Wash (“Petitioners”), filed a lawsuit challenging the adequacy of the Addendum in analyzing the proposed Project’s environmental impacts. The Petitioners alleged that the Addendum was deficient on twelve (12) grounds. On June 6, 2019, the Superior Court issued its ruling and stated that the Addendum properly analyzed all but one of the environmental impacts of the Project. The Court required the City to re-analyze the single issue of the Project’s impacts on the groundwater infiltration ponds located in Neighborhood II, as indicated in the LCRSP EIR. The Court also required the City vacate the prior approvals and re-approve the Project, as necessary.

As a result of the Court’s ruling, the City and the applicant prepared a Revised Addendum to address the Project’s impacts on the groundwater infiltration ponds. The City Council is being requested to consider approval of the Revised Addendum, the repeal of Ordinance No. 1598, Resolution Nos. 7277 and 7278, and the re-approval of the Project, including the Specific Plan Amendment and TTM No. 20092. ***Other than the Revised Addendum and groundwater infiltration ponds, and a proposed minor adjustment to the specific plan as described below, all other aspects of the Project remain unchanged.***

Minor Adjustment to Specific Plan

Sections 3.2.4 and 3.2.5 of the Specific Plan establish maximum allowable development

Table 2-1: Proposed Changes in Land Use Neighborhood II

PA	Land Use	Approved Acreage	Proposed Acreage	Previous Units	Proposed Units	Change in Acreage	Change in Units
80	Open Space	168.0	202.8			34.8	0
82	SFR-3 Residential	30.0	24.9	336	292	-5.1	-44
83	SFR-2 Residential	107.0	79.8	692	640	-27.2	-52
84	SFR-3 Residential	23.0	21.7	249	235	-1.3	-14
93	SFR-3 Residential	54.0	54.0	551	447	0	-104
97	Open Space/Recreation	5.0				-5.0	0
	SFR-2 Residential		20.2		130	20.2	130
98	SFR-2 Residential	54.0		316		-54.0	-316
	SFR-1 Residential		26.9		146	26.9	146
99	Open Space/Recreation	60.0				-60.0	0
	SFR-1 Residential		20.1		87	20.1	87
100	SFR-3 Residential	14.0		126		-14.0	-126
	SFR-1 Residential		14.6		77	14.6	77
101	Open Space/Recreation	35.0				-35.0	0
	SFR-3 Residential		22.2		205	22.2	205
102	SFR-2 Residential	11.0	20.1	80	131	9.1	51
103	SFR-1 Residential	11.0		40		-11.0	-40
	Open Space/Recreation		64.7			64.7	0
Net Change in Neighborhood II						0.0	0

PA=Planning Area; Units = Residential Units

and standards and procedures for transferring development intensities between planning areas. Density transfers are generally permitted for residential land use categories without amendment of the Specific Plan, provided the changes do not exceed the maximum dwelling unit cap, the gross density per acre cap, and the maximum AM/PM trips are not exceeded. The master developer is required to modify Figures 3-1 and 3-2 of the Specific Plan for administrative approval. Section 6.6.3 of the Specific Plan deems transfers satisfying these conditions as minor adjustments to the Specific Plan, requiring a recommendation by the Development Review Committee to the Director of Development Services with a final determination by the Planning Commission. These actions will be submitted prior to the public hearing by the City Council.

The Developer proposes to change Planning Area 101 to SFR-3 Residential (allowing up to 205 units) from Open Space/Recreation and making corresponding reductions in densities within other planning areas. Table 2-1 above confirms the net zero result. The Developer intends to propose a higher density single-family product that is currently selling well in the market area. The Developer has not submitted formal entitlement applications for the new product.

ANALYSIS/DISCUSSION

The previously certified LCRSP EIR analyzes the development of 8,407 residential units and 849,420 square feet of non-residential development within 2,447.3 acres of the LCRSP area, which includes 2,931 residential units and 102,452 square feet within Neighborhood II.

Specific Plan Amendment

The Specific Plan Amendment, ***which was approved in February 2018 and is presently being considered again as a result of the Revised Addendum***, will do the following:

- Remove Neighborhood I from the LCRSP, since the City did not annex this area from San Bernardino County into its jurisdiction, thereby reducing the land area in the LCRSP by 417-acres and removing 1,278 residential units (**Attachment B**).

- b. Modify the configuration of Neighborhood II by replacing the golf course with open space and removing the “senior citizens” age restrictions on residences and changing their distribution. The total number of residences and acreage, including open space, will remain the same, as the Neighborhood will be built as traditional family units. **(Attachment C)**.
- c. Redistribute 2.2 acres of open space from Planning Area 62 to Planning Area 28 in Neighborhood III, thereby maintaining the same acreage of open space in Neighborhood III.
- d. Include an option to modify the levee improvements adjacent to Lytle Creek, including an option to end the levee construction at the Specific Plan’s boundaries. In 2005, the levee on the CEMEX property, which is nestled in between Neighborhoods II and III but outside of the LCRSP area, was damaged and remained in that condition at the time the LCRSP EIR was certified. The LCRSP EIR assumed the construction of a new flood control levee system stretching along the entire northeastern boundary of the Specific Plan, including repair of the damaged levee running through the adjacent CEMEX property. However, state and federal agencies are examining the potential for the existing damaged levee to remain as-is, rather than be repaired. Hence, there is a need to include the option of leaving the levee at the CEMEX property as-is in the LCRSP.

Tentative Map

On May 8, 2017, the developer filed Tentative Tract Map No. 20092 (TTM 2017-0005) to create 6 developable lots on 188 acres of Neighborhood II **(Attachment D)**. All subsequent maps to apportion the 6 lots into separate residential areas totaling 672 residential lots will require future approval by the Planning Commission. TTM No. 20092 will also create one (1) remainder lot and thirteen (13) lettered lots for public open space, utilities, and infrastructure. TTM No. 20092 will establish a grand paseo design, the backbone street system (Oakdale Avenue), collector streets, and the entryway into the main project entry at Country Club Drive. Safe access to and from the Project will require a secondary project entry. The developer will be conditioned to construct an additional project entry at Oakdale Avenue.

TTM No. 20092 will not increase the number of residential units or square footage of non-residential development than originally contemplated in the LCRSP and is consistent with the scope and type of development analyzed in the LCRSP EIR. ***TTM No. 20092 was approved in February 2018 and is presently being considered again as a result of the Revised Addendum.***

Addendum to the LCRSP EIR

Once an EIR is approved, the City is not required to prepare a subsequent EIR, unless one of three limited conditions exists: (1) substantial changes are proposed in a project that require major revisions to the EIR, (2) substantial changes occur regarding a project’s circumstances that require major revisions to the EIR, or (3) new information becomes available that was not known and could not have been known at the time the EIR was certified.

A proposed change in a project or its circumstances will require a subsequent EIR only if: (i) the change is substantial, (ii) involving new or more severe significant environmental impacts, (iii) which were not considered in the previously certified EIR, and (iv) will require major revisions to the EIR. If some changes or additions are necessary, but none of the three conditions calling for a subsequent EIR has occurred, then the City must prepare an addendum instead.

The proposed Project (Specific Plan Amendment and TTM No. 20092) will not increase the number

of residential units or square footage of non-residential development and is consistent with the scope and type of development analyzed in the LCRSP EIR. The City determined that the Project will not result in substantial changes that require major revisions to the LCRSP EIR, (2) the Project circumstances do not have substantial changes that require a major revision to the LCRSP EIR, and (3) there is no new or previously unknown information than when the LCRSP EIR was adopted. As a result of there being no new or more severe significant environmental impacts from the Project, the City prepared and adopted an Addendum to the LCRSP EIR in February 2018.

Revised Addendum to the LCRSP EIR

As mentioned above, in March 2018, a lawsuit was filed challenging the adequacy of the Addendum. Of the twelve issues raised in the lawsuit, the Court ruled that the Addendum properly analyzed all but one of the proposed Project's impacts on the environment. The Court found there was insufficient evidence presented in the Addendum to conclude that the Project had no new or more severe significant impacts on groundwater infiltration ponds. So, the Court ordered the City to re-analyze the Project's impacts on the groundwater infiltration ponds located in Neighborhood II.

Per the Court's ruling, the City and the applicant have prepared the Revised Addendum (**Attachment E**). The Revised Addendum contains the prior analyses of all environmental impacts of the Project that the Court ruled were in compliance with CEQA, as well as the additional analysis on the Project's impacts on groundwater infiltration ponds.

Groundwater Infiltration Ponds

The LCRSP EIR stated that four existing groundwater infiltration ponds located in Neighborhood II would be relocated and incorporated into the design of the golf course. As a result of the design features and/or compliance with existing laws and regulations, the LCRSP EIR determined the impacts would be less than significant, and no mitigation measures were required.

Because the Project removes the golf course and replaces it with open space, the groundwater infiltration ponds will now be incorporated into the open space area replacing the golf course. An environmental expert, PACE Engineering, evaluated the potential environmental impacts of such relocation in detail in a May 30, 2019 technical memorandum, attached to the Revised Addendum as Appendix B ("Technical Memorandum").

The Technical Memorandum explains that the four infiltration ponds are connected via pipeline to a Southern California Edison (SCE) electrical generating powerhouse located on Riverside Avenue. Water serving the powerhouse that is too turbid for treatment by water agencies is discharged into the existing infiltration ponds, where it percolates into the soil and ultimately into the groundwater basin. The Technical Memorandum explains that the four infiltration ponds would be relocated into the open space area, and the new, relocated ponds would have the same surface area and volumetric storage capacity as the existing ponds. Because underlying soils in that area have high infiltration rates and would consist of the same alluvial materials regardless of whether the area is a golf course or remains open space, the Specific Plan Amendment removing the golf course and replacing it with open space would have no significant effect on the ability of the LCRSP to relocate the basins adequately within Neighborhood II, and would not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

Accordingly, because the relocated infiltration ponds would result in no new or more severe

significant impacts on groundwater, the City does not have to prepare a subsequent EIR, and the Revised Addendum is appropriate under CEQA.

In accordance with the Court's ruling and CEQA, staff has prepared the following:

1. a resolution to repeal Resolution No. 7277, vacate the previous Addendum, and adopt the Revised Addendum (**Attachment F**);
2. a resolution to repeal Resolution No. 7278, vacate the previous TTM No. 20092, and re-approve the new TTM No. 20092 (**Attachment G**); and
3. an ordinance to repeal Ordinance No. 1598, vacate the previous Specific Plan Amendment (SPA 2017-0002) and re-approve the Specific Plan Amendment (SPA 2017-0002) (**Attachment H**).

GENERAL PLAN CONSISTENCY:

An analysis of the consistency between the LCRSP and the goals and policies contained in the City of Rialto General Plan as required by Section 65454 of the California Government Code is included in Appendix A of the LCRSP. Based on the analysis, the LCRSP is consistent with the City of Rialto General Plan. The General Plan consistency analysis is included with this report as **Attachment I**.

ENVIRONMENTAL IMPACT:

The proposed Project falls within the scope of the previously certified LCRSP EIR and would not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Thus, no supplemental or subsequent EIR is required, in accordance with Section 21166 of the Public Resources Code or Sections 15162-15163 of CEQA Guidelines. Pursuant to CEQA Guidelines Section 15164, the City determined that a Revised Addendum to the LCRSP EIR should be prepared. All potential effects of the project have been analyzed in the LCRSP EIR and the Revised Addendum. Electronic copies of the environmental analysis are available for review in the Development Services Department, Planning Division and online at www.rialtoca.gov <<http://www.rialtoca.gov>>.

FINANCIAL IMPACT:

Operating Budget Impact

Setting the public hearing will have nominal publishing costs.

The Fiscal Impact Analysis performed at the time of revised project approval (February 13, 2018) forecasted that the 6,260-unit project had a net recurring surplus of \$2,367,699 at build out in constant 2014 dollars. The City is authorized to levy a CFD fee of \$104 per unit in accordance with the Development Agreement.

Capital Improvement Budget Impact

The City and Developer entered into a development agreement, under which the Developer will make significant contributions toward City capital facilities. The Project will make fair share contributions toward growth related infrastructure improvements by paying the development impact fees or construction infrastructure in lieu thereof. The City has no direct capital cost related to the project.

Licensing

No business license required as a result of this action.

RECOMMENDATION:

Staff recommends that the City Council set a Public Hearing for **September 10, 2019** to:

1. Repeal Resolution No. 7277 and approve a Revised Addendum to the LCRSP EIR;
2. Repeal Ordinance No. 1598 and re-approve the LCRSP Amendment (SPA 2017-0002) to eliminate Neighborhood I, modify the land use configuration of Neighborhoods II and III, and update the text, tables, and maps; and
3. Repeal Resolution No. 7278 and re-approve Tentative Tract Map No. 20092 (TTM 2017-0005) to create six (6) developable lots, one (1) remainder lot and thirteen (13) lettered lots for public open space, utilities and infrastructure on a 188-acre portion of Neighborhood II to facilitate a 776-lot residential subdivision.