



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning & Development
Department No.: 053
For Agenda Of: December 8, 2015
Placement: Set hearing on 12/8/15 for 12/15/15
Estimated Time: 1.0 hour
Continued Item: No
If Yes, date from:
Vote Required: Majority and 4/5

TO: Board of Supervisors
Board of Directors, Flood Control and Water Conservation District
Board of Directors, Santa Barbara County Water Agency
Board of Directors, Laguna County Sanitation District

FROM: Department Glenn Russell, Ph. D., Director, Planning & Development
(805) 568-2085
Contact Info: Alice McCurdy, Deputy Director, Development Review
(805) 568-2518

SUBJECT: Set Hearing to Consider the Rice Ranch Specific Plan and Orcutt Community Plan Amendments (Case Nos. 14SPP-00000-00001, 14GPA-00000-00006, 14ORD-00000-00004, 15GPA-00000-00005, 15ORD-00000-00015, 15RZN-00000-00008, 14TRM-00000-00001, 15TRM-00000-00005, 14DVP-00000-00004, 14CUP-00000-00006, 14RDN-00000-00004, 15GOV-00000-00002), Fourth Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence:

Community Services Department, Parks Division
Public Works Department, Roads Division
Public Works Department, Surveyor's Office
County Fire Department
General Services Department

Recommended Actions:

On December 8, 2015, Set a hearing to consider the Planning Commission's recommendation for approval of the Rice Ranch Specific Plan, Development Agreement, Rezone, General Plan Amendments and associated entitlements, including a land exchange, (Case Nos. 14SPP-00000-00001, 14GPA-00000-00006, 14ORD-00000-00004, 15GPA-00000-00005, 15ORD-00000-00015, 15RZN-00000-00008, 14TRM-00000-00001, 15TRM-00000-00005, 14DVP-00000-00004, 14CUP-00000-00006,

14RDN-00000-00004, 15GOV-00000-00002), located on the south side of Stubblefield and Rice Ranch Roads in the southeastern portion of the Orcutt Community Plan area, Fourth District, as follows:
(Set a hearing for December 15. Time estimate: 1 hour)

Acting as the Board of Supervisors:

- a) Approve the introduction (first reading) of the Ordinances amending the Rice Ranch Specific Plan and Rice Ranch Development Agreement;
- b) Read the title of the Ordinances into the record and waive full reading of the Ordinances (Attachments 3 and 4);
- c) Consider the Planning Commission's recommendation for approval of the Rice Ranch Specific Plan, Development Agreement, Rezone, General Plan Amendments, and associated entitlements, including a land exchange;
- d) Continue the item to the Departmental Agenda of January 5, 2016 to consider recommendations, as follows:
(Set a hearing for January 5, 2016. Time estimate: 15 minutes)

Acting as the Board of Directors, Flood Control and Water Conservation District, the Board of Directors, Water Agency, and the Board of Directors, Laguna County Sanitation District:

- e) Approve the introduction (first reading) of the Ordinances amending the Rice Ranch Development Agreement;
- f) Read the title of the Ordinance into the record and waive full reading of the Ordinance (Attachments 3); and
- g) Continue the item to the Departmental Agenda of January 5, 2016 to consider recommendations, as follows:
(Set a hearing for January 5, 2016. Time estimate: 15 minutes)

Acting as the Board of Supervisors:

- i) Make the required findings for the project specified in Attachment 9 of this Board Letter, including California Environmental Quality Act (CEQA) and land exchange findings;
- ii) After considering the environmental review documents [Addendum dated November 23, 2015 (included at Attachment 11) together with previously adopted Supplemental Environmental Impact Report (EIR) and the Orcutt Community Plan EIR (link included as Attachments 16 and 18)] determine that, as reflected in the CEQA findings, no subsequent EIR shall be prepared for this project;
- iii) Adopt a Resolution included as Attachment 2 amending the Rice Ranch Specific Plan (14SPP-00000-00001, 15GPA-00000-00005).

- iv) Consider the adoption (second reading) of an Ordinance (14ORD-00000-00004) included as Attachment 3 cancelling the approved Rice Ranch Development Agreement and approving a new Rice Ranch Development Agreement;
- v) Consider the adoption (second reading) of an Ordinance (15ORD-00000-00015) included as Attachment 4 amending the approved Rice Ranch Specific Plan;
- vi) Consider the adoption (second reading) of an Ordinance (15RZN-00000-00008) included as Attachment 5 rezoning the zone district on 1.0 acres of the subject parcels from Planned Residential Development (PRD) to Recreation (REC) and 1.8 acres from Recreation (REC) to Planned Residential Development (PRD);
- vii) Adopt a Resolution included as Attachment 6 amending a Comprehensive Plan Amendment (14GPA-00000-00006), revising the Orcutt Community Plan Key Site 12 Policies KS12-2A and -2B to allow for the payment of in-lieu affordable housing fees and to privatize the four neighborhood parks and to allow the Grove neighborhood park to be less than one acre in size, respectively;
- viii) Approve a Vesting Tentative Tract Map (Case Nos. 14TRM-00000-00001/14,805) subject to the conditions included in Attachment 10.2;
- ix) Approve a Large Lot Conveyance Map (Case Nos. 15TRM-00000-00005/14,818) subject to the conditions included in Attachment 10.1;
- x) Approve a Final Development Plan (Case No. 14DVP-00000-00004) subject to the conditions included in Attachment 10.3;
- xi) Approve a Minor Conditional Use Permit (Case No. 14CUP-00000-00006) subject to the conditions included in Attachment 10.4;
- xii) Approve the proposed Road Namings (Case No. 14RDN-00000-00004) subject to the conditions included in Attachment 10.5;
- xiii) Consider the Parks Commission's recommendation that the Board reduce Quimby fees by 50% and deny the request;

Acting as the Board of Directors, Flood Control and Water Conservation District; the Board of Directors, Santa Barbara County Water Agency; and the Board of Directors, Laguna County Sanitation District:

- xiv) Consider the adoption (second reading) of an Ordinance (14ORD-00000-00004) included as Attachment 3 cancelling the approved Rice Ranch Development Agreement and approving a new Rice Ranch Development Agreement;
- xv) After considering the environmental review documents [Addendum dated November 23, 2015 (included as Attachment 11) together with previously adopted Supplemental EIR and the Orcutt Community Plan EIR (link included as Attachments 16 and 18)] determine that, as reflected in the CEQA findings, no subsequent EIR shall be prepared for this project; and

Acting as the Board of Supervisors:

xvi) Consider the following actions for the land exchange pursuant to Government Code Section 25356(b) (4/5 Vote Required):

1. Approve and authorize the Chair to execute the Real Property Exchange Agreement (Attachment 12) between the County of Santa Barbara (County) and Rice Ranch Community LLC, which involves County property, described as County Assessor's Parcel Numbers (APN) 101-380-001, 101-380-003, 101-390-001, 101-390-002, 101-400-003 and the Rice Ranch Community LLC property, described as APNs 101-380-002, 101-390-007, 101-400-001, 101-400-002; and
2. Approve and authorize the Chair to execute the Quitclaim Deed (Attachment 13), conveying parcels held in fee and easement from the County to Rice Ranch Community LLC, described as APNs 101-380-001, 101-380-003, 101-390-001, 101-390-002, 101-400-003 and any other property interests held by the County in Tract Map 14,636, recorded September 29, 2005 in Book 200, Pages 93-99 of Maps, in the Office of the County Recorder of said County.

Alternatively, refer back to staff if your Board takes other than the recommended action for appropriate findings and, if necessary, conditions of approval.

A. Summary Text:

Rice Ranch Communities, LLC, is requesting a General Plan Amendment, Specific Plan, Rezone, Large Lot Conveyance Map, Vesting Tentative Tract Map, Development Plan, Development Agreement/Ordinance, Land Exchange Agreement, Road Naming, and Minor Conditional Use Permit for the Rice Ranch project located at Rice Ranch and Stubblefield Roads in south Orcutt. The approximately 580-acre Master Planned Community consists of 725 residential units with an overall gross project density of approximately 1.3 units per acre. Bradley Road, south of Clark Avenue leads directly into one of the main entrances of the project site. Rice Ranch Road and Stubblefield Road run east-west along the northern property line and, along with Bradley Road, provide existing roadway access to the Specific Plan Area.

Previously approved in 2003, the Specific Plan area is surrounded by a variety of residential land uses to the west, north, and east, and is bordered by agriculturally designated lands used for oil extraction to the south. Zoning within the Specific Plan area is primarily Planned Residential Development, Recreation associated with the existing Orcutt Community Park and neighborhood parks, and Professional and Institutional related to a future school expansion area in the northern Project area. More than 300 acres of the Project site was offered to dedicate in fee to the Santa Barbara County upon recordation of Map 14,636 and was accepted by the County in 2009 and in 2011 as Open Space and a community park.

The revised Rice Ranch Specific Plan (December 2015) represents an update of the previously approved Specific Plan from 2003 that would:

- Maintain the approved Specific Plan unit count of 725 homes.
- Provide a mix of single family and duplex homes (on fee simple lots) to be more responsive to market trends.

- Add a private Community Clubhouse site for the exclusive use by Rice Ranch community members.
- Incorporate the current Santa Barbara County Inclusionary Housing Ordinance specifications to commit to pay in-lieu fees for the entire Affordable Housing project requirement, rather than constructing affordable units onsite.
- Provide a new project Development Agreement to reflect the number of homes that have been constructed or that are under construction, and to clarify fees associated with those units yet to be built under the revised Specific Plan.
- Accommodate the requests of the Community Services Department's, Parks Division for:
 - Building and maintaining private neighborhood parks, in lieu of the previously-approved public neighborhood parks.
 - Revising the location and function of previously approved neighborhood parks and providing for their long-term maintenance by HOAs.
- Accommodate the requests of the County Fire Department for:
 - Providing a 24-foot paved width for the existing Orcutt Hill Road that would provide a private fire access (secondary access) road to the Valley View neighborhood. The Applicant proposes to provide this access through the reservation of easements and their associated slopes within County owned open space to the Rice Ranch HOA, who would be responsible for their construction and maintenance.
 - Providing a full secondary access to the Grove and south Meadow neighborhoods to improve response times and to reduce the impacts of previously aligned routes.
 - Incorporating current conditions related to vegetation fuel load suppression in the vicinity of habitable structures.
- Accommodate the request of the County Public Works, Roads Division to:
 - Identify future internal Rice Ranch neighborhood access roads as private streets to be maintained by the Homeowner's Association (HOA) in future neighborhoods.

The proposed Specific Plan would decrease the project footprint relative to the approved 2003 Plan by 0.3 acres, from 150.9 to 150.6 acres, of the 580.1-acre Specific Plan area. Each of the project components listed above is described in greater detail in the July 22, 2015 Planning Commission Action Letter and Staff Report dated July 22, 2015 (Attachments 1 and 7).

B. Planning Commission Action

At the Planning Commission hearing of August 12, 2015, the Commission voted 5-0 to recommend that your Board approve the proposed project. The Findings of the Planning Commission are contained in the Planning Commission Action letter (Attachment 1). At the August 12th hearing the Planning Commission took no action on the applicant's request for a credit toward their Quimby Fee requirements and referred it to your Board.

C. Issue Summary

Affordable Housing

The Orcutt Community Plan Key Site 12 Policy KS12-2 requires all affordable units to be constructed on-site. The original Rice Ranch project proposed a total of 146 affordable units to be constructed onsite, 73 as required under the Inclusionary Housing Program in place at the time plus an additional 73 price-restricted units offered by the Applicant as consideration for the Development Agreement's vesting of County policies, rules and regulations for 15 years. Since the approval of the Rice Ranch project in 2003, the County adopted the Inclusionary Housing Ordinance (IHO) (Ordinance No. 4855) to address changes in the residential real estate market and economy. As part of an annual adjustment, the County has adjusted the Inclusionary Housing Ordinance requirements for moderate and workforce income categories to zero in the Santa Maria Housing Market Area because the median sale price of all market rate housing units in the Santa Maria Housing Market Area is affordable to moderate and workforce income households. Thus, the Inclusionary Housing Ordinance requires that the 2015 Project price-restrict 2.5% of housing units to the low level and price-restrict 2.5% of housing units to the very low level. The Oaks and Pine Creek neighborhoods are currently under construction and are not a part of the proposed Vesting Tentative Tract Map. However, through the Development Agreement, the Applicant agreed to pay in-lieu fees for 4.875 very low and 4.875 low income units each ($195 \text{ units} \times 2.5\% = 4.875 \text{ units}$) because the Applicant previously sought and received a recorded map modification to postpone construction of price-restricted units until later phases of the development (after homes in the Oaks and Pine Creek neighborhood were constructed); therefore, the Applicant has agreed that the total in-lieu fee paid will be based on the total number of units (725), even though this proposal is only for 530 units. Under the current IHO requirements and current annual adjustment, the project would also be required to provide 13.25 very low-income units and 13.25 low-income units each. Rather than construct the units onsite, the applicant is requesting an amendment to OCP Policy KS12-2 to allow for the payment of affordable housing in-lieu fees for all 36.24 low and very low-income units. This will not affect the County's ability to meet its RHNA for very low and low-income units because the land inventory classifies all Rice Ranch units as affordable to above moderate-income households.

The Community Services Department's Housing and Community Development (HCD) Division has indicated that in-lieu fees can be leveraged to encourage the investment of gap financing, including federal funds, and private lending for affordable housing development and/or rehabilitation of affordable housing and special needs housing such as low income farm worker and senior rentals. These fees, which are deposited in the County Housing Trust Fund, allow the County to support the development of such housing.

Subsequent to the Planning Commission hearing, the HCD revised the in-lieu fees for the very low and low income levels (due to a previous miscalculation) from \$78,000/unit to \$62,100/ unit. Under the current IHO, the project would generate approximately \$2,251,125 in in-lieu fees. Section 3.2.5 of the proposed Development Agreement and condition no. 25 of the Vesting Tentative Tract Map have been revised to reflect this adjusted fee (see attachments 3 and 10.2 respectively). The applicant's proposal to apply the current IHO income requirements and fee-out of the very-low and low income units would be consistent with the County's current Housing Element policies, and such a request is supported by both P&D and HCD staff.

Land Exchange and Open Space Boundary Adjustments

The project proposes adjustments to the open space boundaries and an exchange of land. The adjustment and exchange that the Planning Commission determined at their August 12, 2015, hearing is in conformance with the Comprehensive Plan and the Orcutt Community Plan, are proposed to be accomplished through a Real Property Exchange Agreement (the “Agreement”) between the County and the Applicant/Owner (Attachment 12). The Agreement is in conformity with California Government Code Section 25365.

California Government Code section 25365, subsection (b), authorizes the County to exchange real property of equal value where the real property to be exchanged is not needed for County use and the property to be acquired is required for County use provided that such exchange is approved by four-fifths (4/5) vote of the County’s Board of Supervisors. The Code further states that, if the real properties to be exchanged are not of equal value, either party to the exchange may contribute cash or other real property assets, acceptable to the other party, to balance the transaction. The value of any private real property exchanged shall be equal to, or greater than, 75 percent of the value of the County property offered in exchange. The cash or other real property assets to be added to balance the transaction shall not be greater than 25 percent of the value of the County property proposed for exchange.

Based on the record of survey performed and the proposed adjustments to the open space boundaries, the County will receive 0.95 acres less in the exchange than is being transferred by the County, which is not greater than 25 percent of the value of the County property proposed for exchange. The total acreage to be transferred to County by Applicant is 11.35 acres and the total acreage to be transferred to Applicant by County is 12.30 acres. Therefore, the Applicant will balance the transaction by paying fair market value for the 0.95 acre difference. The 0.95 acre difference has been valued by an appraisal at \$8,500. The portions of land to be exchanged with the Applicant and 0.95 acres to be purchased by the Applicant are not required for County use, and the property to be acquired by County from Applicant is required for County use.

In addition to the land exchange between the County and Applicant, the Applicant will be accepting maintenance easements on portions of the County open space for private fire access road corridors near the Valley View, Meadow and the Grove neighborhoods for private perpetual maintenance. The changes to the open space and development areas, including the easements, would be effectuated by the proposed Large Lot Conveyance Map (LLCM) TM 14,818. Upon approval and execution of the Agreement, the final executed Exchange Agreement, the Quitclaim Deed conveying the parcels currently owned by the County to the Applicant (Attachment 13), and the Large Lot Conveyance Map, will all be deposited into escrow. Escrow will not record any documents or maps until such time that escrow have received all documents, maps, funds and authorization from both County and Applicant. The property exchange between the County and the Applicant will be at no cost to the County.

Development Agreement

The proposed project includes a request to cancel the original Development Agreement and approve a new Development Agreement (Attachment 3). The proposed Development Agreement includes provisions for the payment of affordable housing in-lieu fees instead of constructing affordable units onsite. Under the proposed Agreement, the applicant would also provide funding and assume responsibility for operations and maintenance of the neighborhood parks and new subdivision roads. . In exchange, the developer would

be given an additional 15 years to complete the project. The original Development Agreement is proposed to be cancelled and the new Development Agreement adopted.

The applicant's proposal to pay for the operations and maintenance of nearly all of the new subdivision roads and all of the neighborhood parks is supported by the Public Works Department and Parks Division staff, respectively. Additionally, the applicant's offer to pay affordable housing in-lieu fees is supported by P&D and HCD staff. Since the original project approval in 2003, there has been a significant downturn and a relatively slow return to the Central Coast economy. Based on these events, the applicant's request to extend completion of the project over 15 years appears reasonable. For these reasons, staff supports the proposed development agreement.

Quimby Fees

At the August 12th Planning Commission hearing, the applicant requested a credit toward their Quimby Fee requirements set forth in the Parks Division Condition Letter. At the hearing the applicant stated that they believe the 330 acres of open space they have dedicated to the county in combination with the recreational amenities they have or will be constructing, exceeds the amount of required fees. Rather than make a recommendation to the Board, the Planning Commission requested that staff address this issue in the board letter. The provisions contained in Section 21-107(f) and other sections of the Quimby Ordinance No. 4317 provide the Board of Supervisors the authority to meet Quimby requirements by the imposition of in-lieu fees, the requirement of dedication of land and provision of recreational facilities, or a combination of both.

The project approved in 2003 included an offer to dedicate by the Applicant approximately 332 acres of Open Space and a Community Park as consideration for the Development Agreement's vesting of County policies, rules and regulations for 15 years and based on a mitigation measure from the EIR. The dedicated land on the Vesting Tentative Map approved in 2003 did not designate any of the open spaces as dedications to satisfy Quimby requirements and the County did not require the Applicant to dedicate the open space or Community Park. The existing Rice Ranch Specific Plan (2003), Tract Maps and Final Development Plans contain conditions of approval requiring payment of Quimby Fees. In 2007, the County and the developer entered into a Park Improvements Reimbursement Agreement that allowed the financing of the additional facility improvements requested by the County through a credit towards the Developers Quimby fees for up to 214 units in Phase 1 of the project approved in 2003. The total fees schedule to be collected for Phase 1 was \$745,150 which was roughly comparable to the cost of the installation of the additional facilities requested by the County. Further, this agreement and its execution acknowledge the developer's acceptance of the conditions of the project related to Quimby fees, dedications and improvements. Additionally, the Applicant commenced construction of the project subject to the condition to pay Quimby fees without challenging the condition.

The Quimby fees for the remainder of the Rice Ranch project have the potential to generate \$1.79 million in Quimby Fees. According to the Parks Division, these monies could be used to partially fund the replacement of the Orcutt Community Park soccer fields with an artificial playing surface or other potential park and open space acquisitions identified in the Orcutt Community Plan.

On September 24, 2015 the developer made a presentation to the Parks Commission offering to pay 50% of the Quimby fees and the Parks Commission voted to recommend that the Board reduce Quimby fees by 50% (Attachment 15). This came about after the developer presented and offered a 50% amount. The Board has discretion to decide whether a subdivider is to dedicate land, pay a fee, or do both to satisfy

Quimby requirements (County Code Sections 21-107) as well as discretion whether to give credit toward Quimby fees according to Government Code Section 66477 and County Code Sections 21-108 and 21-109. Gov. Code § 66477(a)(9) and County Code § 21-108 allow credit for improvements dedicated for park and recreational purposes. Credit is available for the value of improvements together with any equipment located thereon. (Gov. Code §66477(a)(9); CC §21-108(b).) As part of the current project, the Applicant is not proposing to dedicate additional land for park or recreational purposes and no improvements to dedicated land are proposed as part of the current project. Gov. Code §66477(c) and County Code Section 21-107 allow credit, not to exceed 50%, for the value of usable recreational improvements in private common open space.

In light of the County's adopted Quimby Ordinance, and primarily because of the previous action by the Board that required both dedication of land and fees as conditions of approval for the Orcutt Development in 2003, and the precedent set by the County and Developer's previous agreement on Quimby fees, staff recommends that the Board of Supervisors deny the applicant's request for a credit towards Quimby fees for the Rice Ranch Development and affirm the CSD-Park's Division's conditioning of the Tract Map for payment of Quimby Fees as a condition of development.

Performance Measure:

N/A

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

County costs to process the project are fully reimbursed by the applicant pursuant to the current Board-approved fee resolution. Permit revenues are budgeted for the Development Review Division on page D-289 of the adopted 2015-2017 fiscal year budget. Estimated costs for processing the project, including preparation of this Board Letter, are approximately \$164,700.

Special Instructions:

The Planning and Development Department will satisfy all noticing requirements. A minute order of the hearing shall be returned to Planning and Development, Attention: David Villalobos.

Attachments:

1. Planning Commission Action Letter dated August 14, 2015.
2. Resolution Amending the Approved Specific Plan
3. Ordinance Amending the Approved Development Agreement
4. Ordinance Amending the Approved Specific Plan
5. Rezone Ordinance
6. Comprehensive Plan Amendment Resolution
7. Planning Commission Staff Report dated July 22, 2015
8. Planning Commission Memorandum dated August 11, 2015
9. Findings (revised)
10. Conditions of Approval (revised)
11. Addendum (revised)
12. Real Property Exchange Agreement

13. Quitclaim Deed
14. Project Plans
15. Santa Barbara County Park Commission's September 24, 2015 meeting minutes
16. Rice Ranch SEIR Link: (<http://sbcountyplanning.org/projects/14SPP-00001RiceRanch/index.cfm>)
17. Proposed Rice Ranch Specific Plan Link: (<http://sbcountyplanning.org/projects/14SPP-00001RiceRanch/index.cfm>)
18. Orcutt Community Plan EIR:
<http://longrange.sbcountyplanning.org/planareas/orcutt/OCP1995EIR.php>
19. Orcutt Community Plan
<http://longrange.sbcountyplanning.org/planareas/orcutt/documents/Orcutt%20Community%20Plan%20Final%20web%20version.pdf>
20. 2003 Rice Ranch Specific Plan <http://sbcountyplanning.org/projects/14SPP-00001RiceRanch/index.cfm>

Authored by:

John Zorovich, Planner, Development Review Division, P&D, (805) 934-6297