

# PLANNING DEPARTMENT STAFF REPORT PLANNING COMMISSION MEETING: May 10, 2012

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<u>ITEM V-A:</u> Westbrook Amendment to the Sierra Vista Specific Plan – File # 2011PL-043 (GPA-000062, SPA-000044, RZ-000059 & DA-000048)

# **REQUEST:**

This item is a continuation of the public hearing on the Westbrook Amendment to the Sierra Vista Specific Plan begun at the Planning Commission meeting of April 26, 2012. The April 26 staff report included Section 1 - Project Entitlements and Section 2 - Specific Plan Discussion. This report includes Section 3 - Design Guidelines and Section 4 - Fiscal Analysis and Development Agreement.

APPLICANT: Westbrook SV 400, LLC

#### **BACKGROUND:**

At the meeting of April 26, 2012, the Planning Commission began its review of the Westbrook Amendment. During the meeting, the Commission received public testimony and provided comments on the Initial Study and Draft Mitigated Negative Declaration. No formal action was taken and the public hearing on the Westbrook project was continued to May 10<sup>th</sup>.

The public comment period on the Draft MND ended on May 7<sup>th</sup>. As of the printing of this report, no comments on the MND have been received, although two emails about the project were received (see Attachment 2). Staff will include all CEQA comments received as part of the City Council packet, anticipated to be available to the public after 4 p.m. on June 1, 2012. The City Council packet will also include meeting notes from the Planning Commission and all other City commission hearings on the Westbrook Amendment.

### STAFF REPORT SECTION 3 – DESIGN GUIDELINES

The SVSP Design Guidelines (SVSP Appendix B) provide details about the quality of design described in the Project Vision (SVSP Chapter 3). The Guidelines supplement the City's Community Design Guidelines and provide guidance for the physical form and visual character in the plan area. The Guidelines contain criteria and plans for features like landscape corridors, paseos, signs and fences, which do not need future Design Committee approval, but are part of the design elements that shape the look of the SVSP area. The Guidelines also include concept plans for commercial sites that, when developed in the future, will come before the Design Committee for approval.

The Westbrook Amendment proposes no changes in the adopted SVSP Design Guidelines for landscaping, entry features, signs, walls/fences, residential subdivisions, streets/paseo plans and the existing conceptual site plans except to incorporate Westbrook information into Figures B-2, B-3, B-5, B-22, B-25 and Table B-1.

Residential Grading Adjacent to Pleasant Grove Boulevard - The Design Guidelines include a new section to address the difference in grade elevation on the south side of the future Pleasant Grove Boulevard and the future adjacent residential lots. According to a mass grading plan, the residential pad grades could be up to six feet below the elevation of the road and landscape corridor. The grade slope will be located on the residential lots, which could significantly reduce usability of the rear yards and livability of the homes. The Design Guidelines stipulate that a minimum 14-foot flat rear yard area shall be provided and illustrate two methods to accomplish this (Figure B-26). Where the lots have

deep rear yards, the entire grade difference could be made with a 2:1 slope. Where the lot depth is short, retaining walls may be used for part of the grade difference. If the retaining wall is greater than 3 feet high, a 6-foot minimum separation is required between the top of the retaining wall and the masonry sound wall at the back of the landscape corridor. The new section is included in the SVSP document on pages B-48 & 49.

**Site Concept Plan for WB-41** - A new section is included with a conceptual plan (Figure B-30) for the 19-acre Community Commercial parcel at the southeast corner of Pleasant Grove Boulevard and Santucci Boulevard, which could develop with approximately 340,000 square feet of commercial/office uses. Santucci Boulevard is a planned Bus Rapid Transit route and the WB-41 site concept accommodates a transit hub, including a bus transfer station, and a park & ride lot. The layout also provides pedestrian connectivity from the adjacent MDR site (WB-20). Other notable site design points are the City gateway feature at the corner of Pleasant Grove and Santucci, the project entry feature at the corner of Pleasant Grove and Sierra Drive, and the need for screening between the commercial site and adjacent residential uses. The new section is included in the SVSP document on pages B-54 & 55.

**Vista Grande Setback** – A new section proposed in the Residential Development Standards would only apply to the HDR parcels fronting Vista Grande that will develop with multifamily housing. While this is not in the Westbrook area, the same property owner has requested this amendment so it is being included at this time. The 50-foot landscape corridor easement may be reduced to 36 feet subject to a package of design elements intended to ensure a high quality, urban streetscape. For any product to receive the reduced setbacks, it would need to provide quality design elements to be approved by the Design Committee. This new section is in the SVSP document on pages A-12 to A-14.

### **FISCAL CONSIDERATIONS**

The City is required to evaluate the impact Westbrook will have on the City's General Fund. The General Plan includes a policy requiring all new specific plan projects have a revenue neutral or positive fiscal impact on the General Fund. Included in Section 4, attached to this report, is a discussion of the fiscal impact analysis. The Westbrook Amendment will result in a net positive impact at build-out. In addition, there is discussion of some of the financing mechanisms and fees that are proposed with the project. There are no new fees or financing strategies in Westbrook that were not included in the Sierra Vista Specific Plan.

#### **Development Agreement**

As with all the City's specific plans, the Westbrook property includes a Development Agreement (DA). The proposed DA has been negotiated between the landowners and the City to identify the obligations between the parties and enable the development of the plan area. The DA is a binding contract with a 30-year life span that sets the terms, rules, conditions, regulations, entitlements, responsibilities, and other provisions relating to the development of Westbrook. The majority of the issues contained within the DA have been previously identified during the review of the Specific Plan document. The DA further expands upon those requirements and provides the details of responsibility, timing, and financing. The DA is discussed in more detail in the attached Section 4 of this staff report.

The attached Development Agreement (Exhibit D) is substantially complete with a few remaining topics that are still being finalized. For instance, reimbursement timing between multiple parties is nearing final agreement. All of these items will be complete in the final DA reviewed by the City Council.

### **PROJECT RECOMMENDATIONS:**

The Planning Department recommends that the Planning Commission take the following actions regarding the Westbrook Amendment:

- A. Recommend that the City Council amend the General Plan Land Use Map and General Plan Document as shown in the General Plan 2025 Redline (Exhibit C).
- B. Recommend that the City Council adopt the following finding and amend the Sierra Vista Specific Plan (Exhibit B):
  - 1. The Westbrook Amendment to the Sierra Vista Specific Plan is consistent with the objectives, policies, general land uses and programs specified in the General Plan.
- C. Recommend that the City Council adopt the following findings and approve the Rezone for the Westbrook property, amending the zoning map to reflect the zoning as indicated in Sierra Vista Specific Plan Table 4-2:
  - 1. The proposed Rezone is consistent with the General Plan as amended, and
  - 2. The proposed Rezone will not be detrimental to the public interest, health, safety, or welfare of the City.
- D. Recommend that the City Council adopt the following findings and approved the Westbrook Development Agreement (Exhibit E):
  - 1. The Westbrook Development Agreement is consistent with the objectives, policies, general land uses and programs specified in the General Plan;
  - The Westbrook Development Agreement is consistent with the provisions of Chapter 19.84 of the Roseville Zoning Ordinance;
  - 3. The Westbrook Development Agreement will not be detrimental to the health, safety, or general welfare of the residents of the City of Roseville;
  - 4. The Westbrook Development Agreement will not adversely affect the orderly development of property or the preservation of property values; and
  - 5. The Westbrook Development Agreement will provide sufficient benefit to the City to justify entering into the Development Agreement.
- E. Recommend that the City Council adopt the CEQA Findings of Fact. The project is consistent with the build-out assumptions in the SVSP Final EIR and Initial Study and Mitigated Negative Declaration that were prepared for the project.
- F. Recommend that the City Council adopt the Water Supply Assessment and determine, based on the entire record, that projected water supplies will be sufficient to meet the demands of the project, in addition to existing and planned future uses.

### **STAFF REPORT SECTIONS:**

- Section 1 Project Entitlements Summary (provided with the 4/26/12 staff report)
- Section 2 Specific Plan Discussion Items (provided with the 4/26/12 staff report)
- Section 3 Design Guideline Discussion Items (provided with this staff report)
- Section 4 Development Agreement and Fiscal Discussion Items (provided with this staff report)

# **ATTACHMENTS:**

1. Public Meeting and Hearing Notes

March 29, 2012 Community Meeting Notes (included with the 4/26 staff report)

April 17, 2011 Transportation Commission

April 19, 2011 Design Committee

April 24, 2011 Public Utilities Commission

April 26, 2012 Planning Commission (to be provided at the 5/10 PC meeting)

May 7, 2012 Parks & Recreation Commission (to be provided at the 5/10 PC meeting)

2. Written Communications

March 20, 2012 E-mail from WestPark-Fiddyment Farm Neighborhood Association April 17, 2012 E-mail from Dennis & Jean Lorenzini

### **EXHIBITS:**

- A. Initial Study and Mitigated Negative Declaration (provided with the 4/26 staff report)
- B. Sierra Vista Specific Plan Redline Document (mailed to Commissioners on 4/5/12)
- C. General Plan Amendment Redline (provided with the 4/26 staff report)
- D. Westbrook Development Agreement

### FISCAL ANALYSIS, IMPACT FEES & FINANCING

**Fiscal Analysis:** One of the Guiding Principles adopted by the City Council requires that any new development proposal have either a neutral or positive fiscal impact on the City's General Fund. In order to address this issue, evaluation of the Westbrook Amendment required preparation of a Fiscal Impact Analysis (FIA). The FIA projected General Fund revenues and expenditures related to Westbrook at build-out. The FIA concluded that Westbrook would have a positive impact on the City's General Fund and would generate a greater surplus than the Richland land use plan was estimated to generate.

**Project Financing:** The Westbrook Development Agreement provides for the establishment of two special assessment districts: a Public Services Community Facilities District (CFD) to fund maintenance of public services and improvements within the plan area; and a Municipal Services CFD to offset Westbrook's impact on City-wide general fund services such as public safety. The DA also provides for a third, optional CFD which may be used to fund construction of project infrastructure. In addition, the DA establishes a Public Benefit Fee to supplement the assessment districts and fund general city programs and facilities throughout Roseville. Through this funding strategy of assessment districts and fees, Westbrook is projected to have a net positive fiscal impact on the City at build-out. Some of the key funding strategies are described below. This list of fees and funding strategies is not all inclusive, but gives some overview of the obligations spelled out in the DA.

**Fee Deferrals:** Historically, development impact fees have been paid upon the issuance of a building permit. Beginning with the Sierra Vista Specific Plan DA's and now with the Westbrook DA, alternative methods to finance and construct infrastructure are being proposed. The DA provides an option for certain fees to be deferred to a future date and be paid though proceeds of a bond sale for the Project Infrastructure CFD. The reason for the deferral is that the money from these fees won't be needed for a long period of time so waiting for the fee won't delay construction. The developer has the option to pay the fees at the time of building permit or, if the landowner chooses, they can form a Project Infrastructure CFD which may include the deferred payment of these fees in an amount no greater than \$5,600 per residential unit. The fees that may be considered for deferral are:

- City-Wide Park Fee, (Development Agreement Section 3.12.4)
- City Public Facilities Fee (Roseville Municipal Code Chapter 4.52)
- City Public Benefit Fee (Development Agreement Section 3.14.3)

It is anticipated that some portion of this amount will come from the SPRTA Tier II Traffic Fee to construct Placer Parkway in the future. In the event that SPRTA does not agree to delay receipt of the Tier II fee, then three other City fees may be combined for the fee deferral. In any case, the project will pay all its fees and this financing mechanism only affects the timing of specific fees.

Community Facilities District (CFD) for Public Services: This CFD will be used to provide on-going, annual funding for the maintenance within Westbrook of neighborhood parks, paseos, landscape corridors, bikeways, flood control facilities, and open space preserves, including environmental mitigation monitoring and management.

**CFD for Municipal Services:** This CFD will be used to offset Westbrook's impact on the general fund for City-wide services provided to Westbrook including police, fire, City-wide parks and libraries.

**CFD for Project Infrastructure and Public Facilities:** As previously noted, the DA provides for a third CFD at the landowner's option, which would be used to finance construction of backbone infrastructure and public facilities. The DA also provides for certain fees to be paid from the CFD bond sale. Historically, these fees were collected at issuance of each building permit. In the event this CFD is not formed, the infrastructure would be financed through private financing, and the fees would be paid at building permit.

**Public Facilities Fee:** The DA provides the option for the landowner to pay the City Public Facilities Fee from CFD bond sales, rather than paid at building permit. The total amount of Public Facilities Fee to be collected at build-out of this project is estimated to be \$3.9 million.

**Public Benefit Fee:** As required by the Guiding Principles, new development is required to contribute a significant public benefit to the City. To that end, the DA provides for the landowner to pay a Public Benefit Fee to offset a portion of the project's impacts and the tax sharing agreement with Placer County. The DA provides the potential for the landowner to pay the Public Benefit Fee from CFD bond sales. The total amount of this fee to be collected at build-out of the project is estimated to be \$2.3 million.

**Fire Facilities Fee:** The DA requires the landowner to pay a fee equal to the discontinued Fire Service Construction Tax upon issuance of each building permit. The total amount of this fee to be collected at build-out of the project is estimated to be \$1.8 million.

**Placer County Capital Facilities Fee:** The DA requires the landowner to pay a Placer County Capital Facilities Fee upon issuance of each building permit. The total amount of this fee to be collected at build-out of the project is estimated to be \$3.6 million.

### **DEVELOPMENT AGREEMENT SUMMARY**

Generally, the Development Agreement (DA) is in keeping with the provisions and practices of previous specific plan development agreements. Like all development agreements, the DA addresses topics related to the development of the project area (i.e. permitted uses, vested entitlements, density transfers, affordable housing). The DA also identifies the various obligations of the landowners (i.e. dedications, improvements, financing) and obligations of the City (i.e. cooperation, best efforts, fee credits/reimbursements). The DA also contains general provisions (i.e. term of the agreement, amendments, annual review, default, etc.).

Beginning with the Sierra Vista Specific Plan in 2010, development agreements are providing for alternative methods to finance development costs for comprehensive specific plans, including new approaches on how and when City impact fees are collected and infrastructure is constructed. While the Westbrook DA incorporates these newer financing approaches, the project itself still reflects the high quality planning, design and amenities expected in Roseville's specific plan areas.

Unique considerations in the Westbrook Development Agreement include:

Phasing – The Westbrook phasing plan does not require a strict 1-2-3 development sequence.
This presents some challenges with infrastructure, public service improvements, timing of
construction, and infrastructure cost. For example, the DA describes how and when mass
grading will be used to balance earthen material within Westbrook. The DA also stipulates
performance criteria that would allow sub-phases to be developed. The phasing plan provides

for orderly and timely establishment of infrastructure and public services needed to serve Westbrook through build-out.

• **Specific Plan Fees** – Projects are consistently looking for ways to limit, reduce or defer fees paid at the time of building permit due to the carrying cost to the developer/builder. The DA includes financing approaches to pay for some of the facilities that won't be needed at the outset of the project by financing some fees with a second bond sale later in the project. This approach is described in detail later in this section.

These topics and others are discussed further in the following pages.

# PERMITTED USES & VESTED ENTITLEMENTS

The permitted uses within the Westbrook area are specified in the Sierra Vista Specific Plan document, Tables 4-1 and 4-2, and the Land Use Map, Figure 4-1. The vested land use entitlements include:

2,029 dwelling units, with

705 dwelling units on 141.0 acres designated Low Density Residential 635 dwelling units on 79.4 acres designated Medium Density Residential 689 dwelling units on 27.5 acres designated High Density Residential

- 36.5 acres designated Community Commercial
- 6.2 acres designated Community Commercial/Commercial Mixed Use
- 11.1 acres designated Public/Quasi-Public
- 15.5 acres designated Parks & Recreation
- 36.6 acres designated Open Space preserves, and
- 43.6 acres of Right-of-Way/Landscape Corridor.

The permitted uses will be developed in accordance with the terms of the Sierra Vista Specific Plan document, the Westbrook Development Agreement, and the City of Roseville Zoning Ordinance.

#### AFFORDABLE HOUSING

Westbrook will provide a total of 203 affordable housing units, which is consistent with the City's 10% Affordable Housing Goal outlined in the Housing Element of the General Plan. Affordable units within the Plan area will be allocated as follows:

Very-low income rental units:
Low income rental units:
Middle income purchase units:
81 units (40% of total affordable units)
41 units (20% of total affordable units)

The DA specifies details such as: income range definitions, affordable unit transfers, subsidies for rental units and prevailing wage requirements, Affordable Housing Regulatory Agreement requirements, and reduced Community Facilities District levies. The DA also provides for the landowner to pay an in-lieu fee instead of constructing affordable housing units, in the event the City adopts such an in-lieu fee program.

### **INFRASTRUCTURE IMPROVEMENTS**

Backbone infrastructure improvements to be constructed by Westbrook include: roadways; water, recycled water, sewer, drainage, and electric facilities; flood control improvements in open space parcels; a sewer lift pump, and site work for a potable water well. The DA stipulates the backbone

infrastructure areas will be dedicated to the City and upon satisfactory completion will be accepted as public roads, public sites, and open space parcels.

In-tract (e.g. subdivision) improvements like local streets and utility facilities will be installed with individual developments as the project builds out.

#### **PROJECT PHASING**

Westbrook is anticipated to build out in phases and infrastructure may be constructed in sub-phases at the discretion of the City. The DA includes conditions and performance criteria which must be met in order to proceed with sub-phasing. Timing and extent of public improvements and services are key components in evaluating any proposal for sub-phasing.

### **WETLANDS**

Federally regulated wetlands are located within Westbrook and the landowner must obtain a Section 404 Permit to fill or otherwise impact these resources. The DA stipulates that the landowner is responsible for satisfying all mitigation, monitoring, reporting and maintenance of the on-site preserve area until the time the City accepts its dedication. Prior to its acceptance, the City will determine the cost of long-term maintenance of the preserve parcel and include that as a line item in the CFD for Public Services. After the City accepts the dedication, the parcel will be maintained by the City.

### WATER CONSERVATION & SUPPLY ASSESSMENT

Water supply for Westbrook comes from the same sources of surface water as currently used throughout the City; namely, surface water contracts with federal and local agencies, and in drought or emergency situations the use of groundwater. The City and landowners are satisfied that these sources of supply are adequate to assure water for Westbrook. The DA requires implementation of a Water Conservation Plan which includes measures such as smart/centrally controlled irrigation timers, re-circulating hot water systems, and turf limitations. The goal for CSP is to reduce water consumption by 17 percent compared to current City-wide use characteristics. The parties agree in the DA to periodically reassess the Water Conservation Plan and the continued availability of water supply. After the project utilizes 50 percent of its projected potable water allocation and then every three years thereafter, the effect of the assumptions, the water sources and the actual water demands of Westbrook will be reviewed. If the City determines that any of these factors have changed to the extent they materially affect the City's ability to provide sufficient water to the project, the parties will consider additional measures to ensure water supply will meet the demands of the project.

#### RECYCLED WATER INFRASTRUCTURE

Westbrook will have extensive recycled water infrastructure for all irrigation throughout the project except for low and medium-density residential parcels, as was implemented within the West Roseville Specific Plan and the Sierra Vista Specific Plan. The DA stipulates that landowners will construct recycled water lines as part of the backbone infrastructure; that the City will expand the recycled water storage and pumping facility located in the West Plan; and that Westbrook is obligated to pay its proportionate share of the expansion cost. The DA also permits the interim use of potable water for irrigation purposes until the Environmental Utilities Director makes a determination that potable water service can no longer be allowed.

### **SEWER LIFT PUMP SITE**

A 0.8-acre site (parcel WB-62) on Santucci Boulevard is being dedicated for a sewer lift pump. The landowners are required to improve the site and construct the pump and related infrastructure prior to dedication.

#### **ELECTRIC SUBSTATION**

The City will provide electric service to Westbrook from Roseville Electric. The DA acknowledges that other Sierra Vista landowners are required to dedicate a site for the City to construct an electric substation. The DA stipulates that Westbrook is allowed 400 residential units (or the equivalent electric usage) until the substation is complete and underground circuits extend to the property. To obtain more electric service to Westbrook prior to the substation and underground circuits being completed, the landowner may fund and construct temporary, overhead circuits.

### PARKS, PASEOS AND OPEN SPACE

**Parks –** Westbrook provides for the development of three neighborhood park sites within the plan area. Land for the park sites will be dedicated by the landowners, with park construction financed through payment of Neighborhood Park Fees. The following parks are included in the plan area:

- 9.6-acre neighborhood park, Parcel WB-50 (adjacent to elementary school site WB-60)
- 4.4-acre neighborhood park, Parcel WB-51
- 1.5-acre neighborhood park, Parcel WB-52

**Parks Maintenance** – Funding for ongoing, long-term maintenance of all neighborhood parks within Westbrook will be generated through the CFD for Public Services. This tax will be levied against all residential properties in Westbrook, and the tax will be calculated to ensure that ongoing maintenance can be provided to these parks consistent with City standards at no cost to the General Fund.

**Open Space –** One 36.6 acre parcel will be dedicated to the City for use as open space preserve. The open space parcel will be maintained by funds generated by the CFD for Public Services, the same funding mechanism used to maintain neighborhood parks.

**Bike Trails** – Construction of the Class I bike trail system will be funded by the bike trail fee collected with each residential building permit. It is anticipated that bike trails will be constructed as adjacent development occurs as is typical in other specific plans. The landowners will construct the bike trail in segments and will be reimbursed by the City from the fees collected for this purpose when sufficient funds have been collected in that area.

#### **SCHOOLS**

Most of Westbrook is in the Roseville City School District and Roseville Joint Union High School District; about 130 acres on the west are in the Center Unified School District. The landowners have been in negotiations on separate funding agreements with the districts, which are intended to provide 100% funding of school impacts.

#### **REIMBURSEMENTS**

The DA stipulates that backbone improvements and facilities needed for the project will be constructed and dedicated at the expense of the project, with some credits or reimbursements specified in the DA.

Certain backbone improvements in the West Roseville Specific Plan were over-sized in anticipation of future development outside of the West Plan. Westbrook landowners have an obligation to reimburse the West Plan for its improvements to the extent they benefit Westbrook. The City must use its best efforts to facilitate this reimbursement.

Likewise, certain Westbrook backbone improvements are required to be constructed over-size in anticipation of future development outside of Westbrook. The DA stipulates that the landowners are entitled to receive reimbursement from third parties to the extent the third parties benefit from Westbrook backbone.

In the event that other parties advance construction of backbone improvements through Westbrook that are otherwise an obligation of Westbrook, the landowner must reimburse the Westbrook share of actual cost of the improvements.