



CITY COUNCIL

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council

VIA: James DeStefano, City Manager

TITLE: General Plan Amendment No. 2007-03, Zone Change No. 2007-04, Specific Plan No. 2007-01 ("Site D Specific Plan"), Development Agreement No. 2012-01, and Environmental Impact Report 2007-02 (SCH No. 2008021014).

PROJECT APPLICANT: Walnut Valley Unified School District and City of Diamond Bar

LEAD AGENCY: City of Diamond Bar, Community Development Department

PROJECT LOCATION: Site D is comprised of approximately 30.36 acres located at the southeast corner of Brea Canyon Road and Diamond Bar Boulevard (Los Angeles County Assessor's Parcel Numbers 8714-002-900, 8714-002-901, 8714-002-902, 8714-002-903 and 8714-015-001).

SUMMARY:

The following items are presented for City Council consideration and action:

- **Specific Plan No. 2007-01 (Site D Specific Plan)** – The Site D Specific Plan is the regulatory document that sets forth the land use and development parameters for Site D. A specific plan is best viewed as a specially-tailored zoning code, crafted to address the unique characteristics and opportunities associated with particular site. The specific plan is a planning tool, established under State Law, which government agencies may use when it is more worthwhile to undergo the extensive effort required to craft such a document than it is to rely on conventional, citywide zoning regulations to guide the development of a site.

The version of the Specific Plan now being presented for City Council approval has been revised as follows: it no longer provides for commercial development; it enables

the development of 200 “for-sale” dwelling units; and requires a two-acre neighborhood park to be developed on the site.

- **Zone Change No. 2007-04** – In order for a Specific Plan to become the new “zoning code” for a specified planning area, that area must first be stripped of its conventional zoning designation to eliminate any confusion as to which land use regulations apply. Zone Change No. 2007-04 will result in a revision to the Diamond Bar Zoning Map by removing Site D’s current zoning designations—*Low Density Residential* (RL), *Low/Medium Residential* (RLM) and *Neighborhood Commercial* (C-1)—and replacing them with the single zoning designation of SP.
- **General Plan Amendment No. 2007-03** – In a similar fashion to the zone change, the General Plan land use designation map must be revised to assure that the zoning map is consistent with the General Plan. General Plan Amendment No. 2007-03 will effectuate a revision to the Diamond Bar General Plan Land Use Map by changing the underlying designations of Site D from *Public Facility* (PF) and *General Commercial* (C) to *Specific Plan* (SP).
- **Development Agreement No. 2012-01** – The Walnut Valley Unified School District, as the owner of 96 percent of the Site D project area, will derive a substantial benefit from the adoption of the Site D Specific Plan in the form of vested rights to develop 200 residential units on the subject property. This vesting will immediately add value to the site when the District chooses to dispose of the property on the open market. In return for this consideration, the District has agreed to enter into a development agreement with the City whereby the City will receive \$15,000 for every dwelling unit constructed, for a maximum of \$3 million if all 200 entitled units are built.
- **Certification of Environmental Impact Report No. 2007-02** – The EIR prepared for the Site D Specific Plan provides a detailed analysis of potential environmental impacts associated with the development of the site. The EIR includes an analysis of the Specific Plan as originally proposed—which would have enabled the development of 202 dwelling units and 153,985 square feet of commercial uses (referenced herein as the “March 2010 Site D Specific Plan)—as well as environmentally superior project alternatives.

The project now being presented to the City Council for approval *does not* include a commercial component, and instead provides for the development of 200 “for-sale” dwelling units, and requires a two-acre neighborhood park to be developed on the site. This land use plan is one of the environmentally superior and feasible alternatives to the March 2010 Specific Plan, and is referred herein as the “January 2012 Site D Specific Plan.” The January 2012 Specific Plan was examined to a comparable level of detail as that presented for the March 2010 Site D Specific Plan in a separate CEQA document, identified as Response to Comments No. 2 - Draft Environmental Impact Report for the Site D Specific Plan, State Clearinghouse No. 2008021014 (RTC2), released and disseminated by the Department on January 31, 2012. As indicated in

RTC2, as mitigated, implementation of the January 2012 Specific Plan would result in the avoidance or substantial reduction of those significant unmitigable environmental impacts attributable to the March 2010 Specific Plan.

RECOMMENDATION:

1. Certify **Final Environmental Impact Report (EIR) 2007-02**;
2. Select **Alternative 6 (January 2012 Site D Specific Plan)**, as described and analyzed in the EIR, as the environmentally-superior feasible alternative in lieu of the previously proposed project, identified therein as the March 2010 Site D Specific Plan;
3. Adopt **Findings of Fact** for the January 2012 Site D Specific Plan based on findings that the selected alternative would avoid or substantially lessen those significant environmental impacts attributable to the previously proposed project and result in identified economic and social benefits that will accrue to the City, the School District, and the region, and important public policy objectives will result from the implementation of the proposed Specific Plan;
4. Adopt **Mitigation Reporting and Monitoring Program (MRMP)** for the January 2012 Site D Specific Plan for those mitigation measures identified in the EIR;
5. Approve January 2012 Site D Specific Plan (Alternative 6 in the EIR) and adopt the following with or without amendments or modifications as determined by the City Council:
 - **General Plan Amendment No. 2007-03** to change the land use designations from Public Facility (PF) to Specific Plan (SP);
 - **Zone Change No. 2007-04** to change the zoning districts from Low Density Residential (RL), Low/Medium Density Residential (RLM), and Neighborhood Commercial (C-1) to Specific Plan; and
 - **Specific Plan No. 2007-01** for January 2012 Site D Specific Plan, establishing the land use and development standards to facilitate the construction of 200 residential dwelling units and a minimum of two acres of usable public park area.
6. Approve **Development Agreement No. 2012-01** pursuant to the Government Code Section 65864, et seq. and Chapter 22.62 of the City's Development Code, for the purpose of establishing an agreement between the City and the Walnut Valley Unified School District setting forth the obligations and benefits to the City and the Walnut Valley Unified School District; and
7. Direct the **City Manager** to take such actions as may be reasonable and appropriate to facilitate the effectuation of the Specific Plan, including, in accordance with City and State policies and procedures, the disposition of the City's real property holdings and the capital improvements described therein

BACKGROUND:

On December 7, 2010, the City Council directed staff to revise the Site D Specific Plan (SDSP, or Specific Plan) to eliminate the commercial component, and revise the land use framework to incorporate a neighborhood public park. In accordance with the Council's direction, staff has been working with the environmental consultant to update the environmental analysis to reflect the revised land use plan, and made the necessary revisions to the Specific Plan document and the Environmental Impact Report (EIR).

The reformulated Specific Plan (identified as Alternative 6 in the EIR) provides for the development of 200 attached and/or detached residential dwelling units for individual sale, and a neighborhood park, containing no less than two usable acres, to be improved and dedicated (turn-key) to the City. Vehicular access to the residential and park uses would be provided via a signalized intersection at Cherrydale Drive and Diamond Bar Boulevard or at Crooked Creek and Diamond Bar Boulevard.

In addition, peripheral open space, green belt and park areas with some form of entry feature at the corner of Brea Canyon Road and Diamond Bar Boulevard will be incorporated to mark the entrance into the City of Diamond Bar. A pedestrian access way into the park will be provided from the adjoining neighborhood at the terminus of Pasado Drive.

Because the revised Specific Plan is identified as *Alternative 6* in the EIR, the terms "January 2012 Site D Specific Plan" and "Alternative 6" are used interchangeably in this staff report.

The Site D Specific Plan project area consists of 30.36 acres, comprised of the following properties:

- The Walnut Valley Unified School District owns 28.71 acres. As early as the 1970s, the District has found the property unnecessary for future school use and declared it surplus property;
- A 0.98-acre strip of land along Brea Canyon Road owned by the City; and
- A 0.67-acre segment of a flood control channel, owned and maintained by the Los Angeles County Flood Control District, separating the City and School District properties.

ANALYSIS:

As a result of comments received at a community workshop held on October 16, 2010, and a request from the Walnut Valley School District Board of Trustees and guidance from the City Council, the following changes have been incorporated into the proposed Specific Plan and EIR and identified as Alternative 6 therein:

- Elimination of the commercial component from the land use plan;
- Limiting the number of dwellings to 200 attached and/or detached units (rather than increasing the unit count in light of eliminating the commercial designation);
- Introduction of a new neighborhood park consisting of a minimum of two useable acres, which will be fully developed upon dedication to the City;
- Incorporation of peripheral greenbelt areas with some form of entry feature near the corner of Brea Canyon Road and Diamond Bar Boulevard to mark the entrance into the City of Diamond Bar; and
- Inclusion of an option to place the signalized entry on Diamond Bar Boulevard at either the intersection of Cherrydale or Crooked Creek.

Figures 1 and 2 below compare the *March 2010* version of the Specific Plan to the currently proposed *January 2012* Specific Plan:

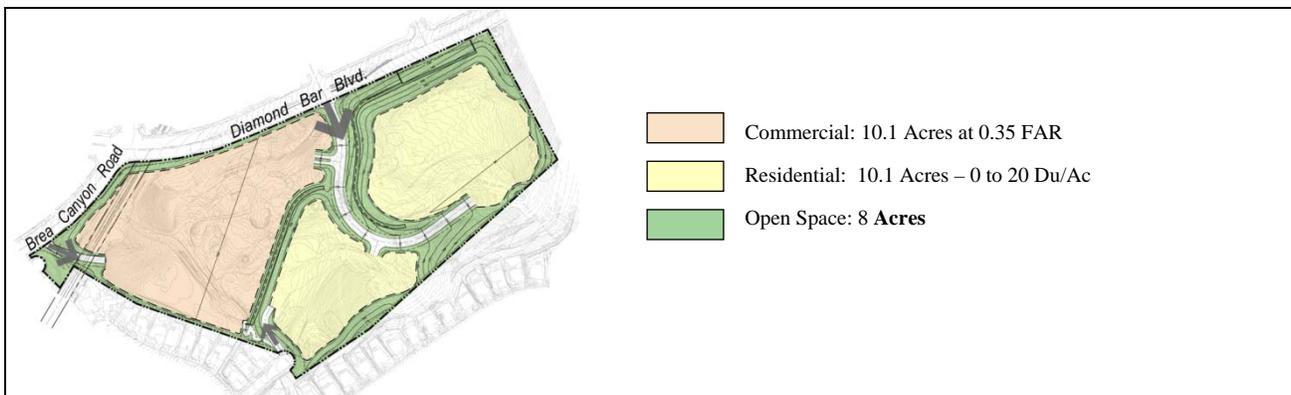


Figure 1 – March 2010 Specific Plan

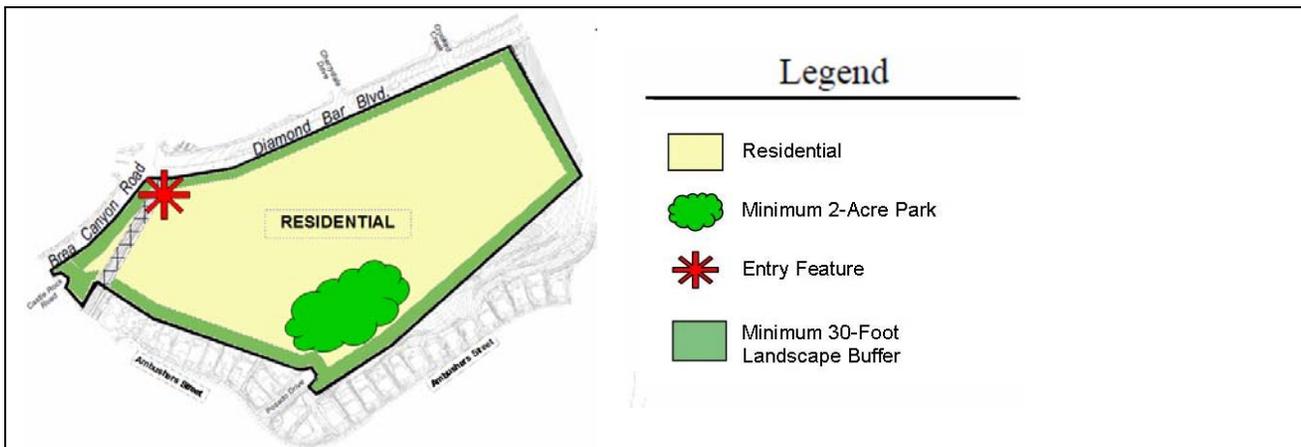


Figure 2 – January 2012 Specific Plan

The precise location, configuration, and amenities to be included in the proposed neighborhood park will be determined at the time a tentative subdivision map is processed for the residential development. The parkland shall be dedicated to the City and constructed to City standards. The tentative and final tract maps shall show the parkland as a separate parcel (delineating the park boundaries) and offer the parcel for dedication to the City. The subsequent developer of Site D shall be responsible for designing the parkland improvements, producing all related construction documents (subject to Community Development Director and Community Services Director approval) and constructing the parkland improvements.

In adopting the proposed specific plan, some level of regulatory certainty will be provided to a subsequent developer of the subject property, thus facilitating its subsequent disposition by the Walnut Valley Unified School District. Although no tentative subdivision map is being approved at this time, it is reasonable to assume that a tentative map, grading plan, and other related entitlements, conforming to the adopted specific plan and the City's Development Code and Subdivision Ordinance, will be subsequently processed. Once a tentative map has been submitted to the City, this item will be brought back before the City Council for the City Council's consideration, a consistency determination with the adopted Specific Plan, and, as required, further environmental review.

Fulfillment of Goals and Objectives in City's General Plan

California Government Code states that a specific plan shall include a statement of the relationship of the specific plan to the general plan, and further, that it may not be adopted or amended unless found to be consistent with the general plan.

Consistency with the General Plan is achieved when the various land uses within the Specific Plan are compatible with the objectives, policies, general pattern of land uses and programs contained in the General Plan. While there is some degree of internal tension among several General Plan policies – such as meeting regional housing needs, preserving open space, promoting economic development, and reducing traffic congestion – the role of the City's decision makers is to determine which goals and policies should be furthered, given the objectives, context, and opportunities associated with each decision under consideration, and thus balance that tension given all the factors in play. The January 2012 Site D Specific Plan implements the vision of the City's General Plan as follows:

- Contributes to the diversity of the City's housing stock in order to provide, within and throughout the City, attractive housing which accommodates people of all ages, cultures, occupations and levels of financial status;
- Provides an opportunity to develop 200 new housing units within the City, thus helping the City to respond to the identified housing demands outlined in the current Regional Housing Needs Assessment (RHNA) and the City's certified and adopted 2008-2014

Housing Element Update. These housing units represent about 18.5 percent of the projected housing needs in the current Housing Element cycle;

- Creates a community environment which nurtures social and recreational opportunities for its residents. A neighborhood public park space of at least 2.0 net usable acres is to be incorporated into the residential development;
- Offers an aesthetically pleasing development incorporating community identity through an entry feature at the corner of Brea Canyon Road and Diamond Bar Boulevard to mark the entrance into the City;
- Incorporates land use principles such as green building strategies and facilitates energy conservation;
- Payment of appropriate fair-share contributions toward the improvement of areawide street improvements; and
- Implements the following traffic improvements, which will be completed prior to the issuance of project certificates of occupancy:
 - Pathfinder Road at Brea Canyon Cutoff Road: Widen and/or restripe eastbound Brea Canyon Cutoff Road to provide one left-turn lane, two through lanes and a separate right-turn lane. The implementation of this improvement may require some modification to existing traffic signal equipment (i.e., re-cut/install new vehicle loop detectors, modification to traffic signal controller); and
 - Cherrydale Drive or Crooked Creek Drive at Diamond Bar Boulevard: Provide an option left/through lane and a separate right-turn lane on the northbound approach; restripe southbound approach to provide an option left/through/right-turn lane on Cherrydale or Crooked Creek. Widen eastbound approach to provide a separate right-turn lane. Modify median and restripe Diamond Bar Boulevard to provide dual westbound left-turn lanes. Install traffic signal. The implementation of this improvement may require some modification to existing signing and striping the affected streets.

The Specific Plan further meets the goals and objectives as listed in the January 2012 Specific Plan and Findings of Fact attached to the Draft Resolution in Attachment 1 of this staff report.

Development Agreement

The Walnut Valley Unified School District, as the owner of 96 percent of the Site D project area, will derive a substantial benefit from the adoption of the Site D Specific Plan in the form of vested rights to develop 200 residential units on the subject property. The residential density that the Specific Plan would entitle on Site D significantly exceeds the

density that the current underlying zoning designations of RL and RLM would accommodate. This vesting will immediately add value to the site when the District chooses to dispose of the property on the open market.

Development of the Site D Specific Plan will also produce many benefits to the community, including the addition of a high-quality residential community to the City's housing inventory, the creation of a new neighborhood park, traffic improvements to help improve traffic flow at the intersection of Diamond Bar Boulevard and Brea Canyon Road, and the visual enhancement at one of the key entrances into the City.

One area of community benefit that the reformulated Specific Plan will no longer be able to provide is the sales tax revenue stream that would have been produced by a commercial development on a portion of Site D. Moreover, the two-acre neighborhood park that is now part of the Specific Plan will add to the City's park maintenance expenses.

In light of the foregone sales tax revenue opportunity and added costs associated with the future park, the District agreed to enter into a development agreement with the City whereby the City will receive \$15,000 for every dwelling unit constructed. This development fee could generate up to \$3 million for the City, or roughly the equivalent of 15 years of in-lieu sales tax revenue and 20 years of park maintenance costs. This obligation, once recorded will be transferable to the eventual purchasers and developers of Site D.

Environmental Impact Report

In accordance with the California Environmental Quality Act (CEQA), an EIR was prepared for the Site D Specific Plan. The EIR provides a detailed analysis of potential environmental impacts associated with the adoption of the Specific Plan and the development of the Specific Plan area, identifies mitigation measures to lessen those impacts, and analyzes a range of project alternatives.

The January 2012 Specific Plan constitutes an alternative to the March 2010 Site D Specific Plan. In response to public comments and testimony, a request by the Walnut Valley Unified School District to modify the previously proposed development plan, and guidance from the City Council, a Response to Comments No. 2 (RTC2) has been prepared containing environmental analyses of Alternative 6 (i.e., the January 2012 Site D Specific Plan). The environmental analysis contained in RTC2 provides substantial evidence that the January 2012 Specific Plan—a 200-unit residential housing project with a 2-acre public park—will not produce unmitigable significant environmental impacts, unlike the March 2010 Specific Plan (original conceived as a 202-unit residential housing project with 153,985 square feet of commercial use). Therefore, no Statement of Overriding Considerations is necessary under CEQA.

Findings of Fact

Prior to approving Alternative 6 – January 2012 Site D Specific Plan, the City Council must first certify that the EIR has been completed in accordance with CEQA; that the EIR was

presented, reviewed and considered by the City Council; and that the EIR reflects the City's independent judgment and analysis. The Council is required to adopt findings (Findings) in accordance with CEQA Guidelines Section 15091 when significant effects have been identified which cannot feasibly be mitigated to less-than-significant levels.

As documented in the RTC2 document, all potential impacts associated with Alternative 6 can be mitigated to less-than-significant levels. As reflected in the analysis presented in the EIR and Findings, this feasible alternative is "environmentally superior" to the March 2010 Site D Specific Plan, therefore, staff recommends that the Council adopt Alternative 6. Specifically, the March 2010 Site D Specific Plan determined that construction, operational, and cumulative air quality impacts (inclusive of both criteria pollutants and greenhouse gas emissions) would exceed daily emissions thresholds recommended by the South Coast Air Quality Management District (SCAQMD). No mitigation measures were identified which could reduce air quality impacts below a level of significance.

A comparison of project alternatives of environmental impacts shows that an "environmentally superior" feasible alternative exists—Alternative 6 (January 2012 Site D Specific Plan). Pursuant to CEQA's "substantive mandate" (not to approve a project if there exist feasible mitigation measures or alternatives), the Findings state the rationale for rejecting the March 2010 Site D Specific Plan and other alternatives. Therefore, the Findings present the facts supporting the conclusion that no significant impacts result from the implementation of the January 2012 Site D Specific Plan and why each of the other alternatives was rejected.

The Findings are attached as Exhibit A to the draft resolution certifying the EIR and adopting the MRMP (Attachment 1). The Findings identify economic and social benefits that will accrue to the City, to the School District, and to the region, as well as important public policy objectives that will result from the implementation of the project. Therefore, the City Council may find that the Alternative 6 - January 2012 Site D Specific Plan identified a feasible alternative in lieu of the March 2010 Site D Specific Plan. Under the March 2010 Site D Specific Plan, there were significant unavoidable environmental impacts. When staff looked into different alternatives as a result from Council's direction, staff found that Alternative 6 – January 2012 Site D Specific Plan derives a less environmentally intrusive project without the need for significant unavoidable environmental impacts.

Outreach efforts to solicit citizen and public agency input throughout the EIR process included the following actions:

Notice of Preparation: The City circulated a Notice of Preparation (NOP) to public agencies, special districts, and members of the public requesting such notice for a 30-day period commencing February 1, 2008, and ending March 5, 2008.

Scoping Meeting: During the NOP period, the City advertised a public scoping meeting on February 21, 2008, held at the South Coast Air Quality Management District/Government

Center, Room CC-6. The meeting was intended to facilitate public input. Approximately 20 residents attended the meeting with the majority from the Ambushers Street neighborhood. Several issues raised at this meeting include impacts of view from Cherrydale Drive, noise, traffic, buffer from commercial development, need for green space at entryway, preference to see residential development with less commercial, and to consider senior housing development.

Notice of Completion/Availability: In June 2009, the Draft EIR was prepared by City staff and the City's environmental consultant, Environmental Impact Sciences. On June 22, 2009, a Notice of Completion and Availability was filed with the Office of Planning and Research. The 45-day public review period was from June 25, 2009, through August 10, 2009.

Neighborhood Meeting: On August 3, 2009, a neighborhood forum was held at the Heritage Park Community Center to provide the public with an additional opportunity to ask questions and comment on the EIR, prior to the close of the 45-day public review period. All written and verbal public testimony was taken, and written responses to the comments and issues raised are provided in Response to Comments (RTC1). RTC1 includes all comments received during the 45-day public review period. CEQA requires that the City consider comments on environmental issues received from persons or agencies during the noticed comment period.

Comment Letters Received

Correspondence received to date is included in the Draft EIR, RTC1 and RTC2.

ALTERNATIVES TO STAFF RECOMMENDATIONS

In addition to the staff's recommendation on Page 2, the following alternative actions available to the Council have been identified:

1. Identify the reasons why the EIR should not be certified, specifying the deficiencies in the environmental analysis and/or conclusions, and recommend that the City Council direct staff to revise the environmental analysis accordingly, continue the matter and direct staff to prepare the necessary resolution; OR
2. Continue the item for additional information or revisions to the environmental documents; OR
3. Return the item to the Planning Commission for further deliberation; OR
4. Deny the project and thus preclude the need for CEQA compliance; OR
5. Certify the EIR and approve the *March 2010* Site D Specific Plan.

NOTICE OF PUBLIC HEARING:

Public hearing notices were mailed to property owners within a 1,000-foot radius of the project site on February 10, 2012, including all speakers who have previously testified orally or in writing. The notice was published in the Inland Valley Daily Tribune and San Gabriel Valley Tribune newspapers. The project site was posted with a notice display board, and a copy of the public notice was posted at the City's three designated community posting sites.

The draft January 2012 Site D Specific Plan, Environmental Impact Report, and Response to Comments 1 and 2 were also posted on the City's website, and hardcopies are available for review at City Hall.

RECOMMENDED MOTIONS:

1. Open the public hearing to take public testimony from the public regarding the EIR and all land use entitlements;
2. Close the public hearing; and
3. Approve January 2012 Site D Specific Plan (identified as Alternative 6 in the EIR) and adopt the following resolutions and ordinances included as Attachments 1 through 4 with or without amendments or modifications as determined by the City Council:
 - a. Adopt Resolution No. 2012-XX: Certifying Environmental Impact Report No. 2007-02 (SCH No. 2008021014) and approving the Mitigation Reporting and Monitoring Program and adopting Findings of Fact for the January 2012 Site D Specific Plan;
 - b. Adopt Resolution No. 2012-XX: Approving General Plan Amendment No. 2007-03 to change the existing Land Use Designations from Public Facility (PF) and General Commercial (C) to Specific Plan (SP);
 - c. Approve for First Reading by title only, waive full reading of Ordinance No. XX(2012) adopting Zone Change No. 2007-04 to change the existing zoning to Specific Plan (SP), and schedule Second Reading for March 6, 2012; and
 - d. Approve for First Reading by title only, waive full reading of Ordinance No. XX(2012) approving the January 2012 Site D Specific Plan (Specific Plan No. 2007-01), and schedule Second Reading for March 6, 2012;
4. Approve for First Reading by title only, waive full reading of Ordinance No. 0X(2011) approving Development Agreement No. 2012-01 between the City and the Walnut Valley Unified School District setting forth the obligations and benefits to the City and the Walnut Valley Unified School District, and schedule Second Reading for March 6, 2012; and

5. Direct the City Manager to take such actions as may be reasonable and appropriate to facilitate the effectuation of the Specific Plan, including, in accordance with City and State policies and procedures, the disposition of the City's real property holdings located and the capital improvements described therein.

Prepared by:

Reviewed by:

Grace S. Lee
Senior Planner

Greg Gubman, AICP
Community Development Director

Reviewed by:

David Doyle
Assistant City Manager

Attachments:

1. Resolution No. 2012-XX (Certification of the EIR and Adoption of the MRMP)
2. Resolution No. 2012-XX (Approval of General Plan Amendment)
3. Ordinance No. XX (2012) (Approval of Zone Change)
4. Ordinance No. XX (2012) (Approval of January 2012 SDSP)
5. Ordinance No. XX (2012) (Approval of Development Agreement)
6. Site D Specific Plan dated January 2012
7. Response to Comments No. 2 dated January 2012

Site D Specific Plan

Copies of the Site D Specific Plan, dated January 2012, are available for public inspection and review at the City Clerk's Office in City Hall, the Diamond Bar Public Library, and online at www.DiamondBarCa.gov

Site D Specific Plan EIR Response to Comments 2 (RTC2)

Copies of the complete RTC2 document are available for public inspection and review at the City Clerk's Office in City Hall, the Diamond Bar Public Library, and online at www.DiamondBarCa.gov