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COMMUNITY DEVELOPMENT DEPARTMENT
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Item # 1
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STAFF REPORT

TO: Planning Commission

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Supervisor District 1

DATE: June 22, 2020

SUBJECT: Supplement to June 18, 2020 Staff Report for the Guenoc Valley Mixed Use Commercial Development

EXHIBITS:

1. Revised Draft Findings of Facts and Statement of Overriding Considerations.
2. AES Technical Memorandum: Detailed Summary of Changes to the Main Body of the Draft Environmental Impact Report (EIR)

Discussion of Additional Information Requested by the Planning Commission related to the Guenoc Valley Mixed Use Development Project

At the June 18, 2020 hearing, the Planning Commission requested that County staff provide the commission with additional information and responses related to: (1) Consistency of the Guenoc Valley Mixed Use Development Project with Lake County General Plan Policy LU 6.12; (2) Responses to issues raised in the comment letter from Caltrans dated June 17, 2020; (3) A summary of the changes to the Draft EIR; and (4) Recommended Motions.

Responses to these issues and requests are provided below:

1) Consistency of the Guenoc Valley Mixed Use Development Project (Guenoc Valley Project) with Lake County General Plan Policy LU 6.12 (Raised in written comments submitted from the Sierra Club on June 17, 2020)

General Plan Land Use Policy LU 6.12 limits the proportion of residential development that would be allowed with a Mixed Use Resort. The policy states that the residential component of a Mixed Use Resort shall not allow more residential units than resort units, unless the project is adjacent to a Community Growth Boundary, and other certain criteria are met. The full text of Policy LU-6.12 is below:

Policy LU-6.12: The County shall encourage development of resorts while ensuring land suitability and compatibility with surrounding land uses. Mixed Use Resort proposals requesting increased residential density maybe considered outside of Community Growth Boundaries provided that:(1) The primary scope of the project is resort commercial. (2) The resort provides substantial resort and recreational facilities that will be available to the public, and the project will specifically enhance the tourism objectives of the County. (3) The developer is able to adequately demonstrate that the additional residential units are necessary to support the infrastructure and public resort amenity costs for the overall project and the overall project is economically infeasible without the additional residential units. (4) The residential component is secondary and subordinate. (5) Applications are submitted as Planned Developments. For Mixed Use Resorts to include residential units, the development must be processed as a Planned Development. This process will be used to determine the appropriate number of residential units allowed.

6.12.1: Except as provided in 6.12.2 below, the residential component of a Mixed Use Resort shall not allow more residential units than resort units during the course of construction and at build out.

6.12.2: If a Mixed Use Resort is adjacent to a Community Growth Boundary and public infrastructure (sewer, water, fire, schools) are available, the number of residential units needed to support resort amenities may exceed the number of resort units, if it is determined that the project will specifically enhance the tourism objectives of the County. However, the number of residential units compared to resort units shall not exceed a 2:1 ratio and in no case shall the residential density exceed one residential unit per gross acre of the total acreage of the Mixed Use Resort project area. (Resolution No. 2011-13, 1/25/2011).

Staff recommends that General Plan Policy LU 6.12 be revised to include the following new Section 6.12.3:

6.12.3: “The provisions of LU-6.12.1 and 6.12.2 shall not apply to the Special Study Areas of the Middletown Area Plan”.

The Middletown Area Plan specifically identifies study areas where the plan envisions “innovative resort/residential communities”, rather than resort communities with ancillary residential uses. General Plan Policy LU-1.2 states “The County shall promote flexibility and innovation through the use of planned unit developments, development agreements, specific plans, mixed use projects, and other innovative development and planning techniques. A blanket limit on residential uses associated with resort development limits innovation, especially in context of mixed-use planned development. For this reason, staff recommends that this General Plan policy be revised to not apply to the Middletown Area Plan Special Study Areas, in order to further innovative mixed use development

consistent with General Plan, and Middletown Area Plan goals and policies. With this addition, the Guenoc Valley project would be consistent with General Plan Land Use policy LU-6.12 as amended.

2) Issues raised in the comment letter from Caltrans dated June 17, 2020.

Caltrans Comment: The additional Traffic Impact Analysis (TIA), when done for future phases of the project, should include a Vehicle Miles Travelled (VMT) analysis at each new phase. New counts should be conducted for each additional Transportation Impact Assessment (TIA). Future TIAs should address how OPR's goals for a reduction of 15% in VMT could be achieved in future project phases.

Response: Impact 3.13-5 of the EIR includes a programmatic analysis of the VMT impacts for future phases and determined that VMT impacts from future phases would be significant. Mitigation Measure 3.13-4, to prepare and implement a TDM plan, applies to both the development of Phase 1 and future phases. Further, as stated in Section 2.5 of the EIR, future phases would be subject to environmental review under CEQA. CEQA guidelines Section 15064.3 requires an analysis of VMT in determining the significance of transportation impacts. Therefore, a project specific VMT analysis will be conducted for each future phase of the project as required by CEQA.

Caltrans Comment: Response to Comments, A7-14. We do not support "no known available funding" and other arguments against providing public transit services to the GVD Site as a VMT reduction mitigation measure. The size of the proposed resort community and range of activities at the GVD site will generate vehicle traffic, trips, VMT and GHG that will have significant impacts. We recommend that project proponents work with the Lake Transit Authority and County government to provide a public transit connection between the GVD Site and Middletown. Local area residents or GVD community residents could be served by public transit, meeting rural mobility and equity goals. (Mitigation Measure 3.13-4 TDM).

Response: As described in the Final EIR, Volume I, Section 3.0, Response to Comment A7-14, Mitigation Measure 3.13-4 requires that the Applicant implement private shuttle service between the project site and off-site work force housing, with a stop at the Lake Transit bus transfer point in Middletown. Thus this private shuttle service would provide a direct and possibly more convenient option for employees and the public to access the site that would effectively replace the need for public transit to the site. Implementation of this measure would reduce VMT and acclimated GHG emissions from the Proposed Project and would be consistent with smart mobility principles by promoting connectivity and mobility in rural and tourist-oriented areas. Additionally, as described in Response to Comment A7-27, Mitigation Measure 3.13-4 requires implementation of an electric fleet of resort vehicles (excluding trucks and other ranch vehicles) for internal transport to the extent feasible (no less than 75 percent). Implementation of this measure would further reduce VMT and acclimated GHG emissions from transportation activities internally within the project site. Accordingly, no additional mitigation is warranted under CEQA.

Caltrans Comment: MM 3.13-4 TDM. As stated in our April comment letter, we recommend substantially increasing bicycle parking above the 1:15 ratio as stated in the GVD Parking Requirements Table Notes in the Appendix GVD, Zoning Ordinance. Installing bicycle facilities is a feasible and relatively inexpensive VMT reduction measure that could promote and increase bicycle use, and serve local and resort community staff, residents, patrons, and visitors. This would be consistent with Appendix TDM Plan strategies and Appendix SPOD circulation and trail plans.

Response: As described in the Final EIR, Volume I, Section 3.0, Response to Comment A7-26, Mitigation Measure 3.13-4 includes a requirement to provide adequate, safe, convenient, and secure on site bicycle parking and storage throughout the Guenoc Valley Site. According to Appendix GVD, bicycle parking shall be provided at a minimum rate of one space per 15 vehicle parking spaces. This correlates to a minimum requirement of 50 bicycle parking spaces for Phase 1 of the Proposed Project. Additionally, Mitigation Measure 3.13-4 specifies that the management shall monitor and provide adequate bicycle parking spaces to meet or exceed potential demand. Therefore, if additional bicycle parking is determined to be necessary, the TDM plan will be adjusted to require that adequate bicycle parking is provided.

Caltrans Comment: We continue to recommend developing bike routes for employees, visitors and residents, for local travel in the GVD as well as to Middletown, as an explicit mitigation measure to reduce VMT.

Response: Mitigation Measure 3.13-4 includes a variety of measures to promote non-vehicle modes of transportation, including on-site bicycle parking and storage and off-road bicycle trails. Additionally, the Final EIR, Volume II, Section 3.13.5 has been revised to include Mitigation Measure 3.13-5, which requires the Applicant enter into an agreement with Lake City/County Area Planning Council to pay a fair share towards pedestrian and bicycle improvement projects in Lake County and Middletown. Accordingly, no additional mitigation is warranted under CEQA.

Caltrans Comment: In the Statement of Overriding Considerations, Section 2.13, page 124, the traffic mitigation language for MM 3.13-2 improvements for Butts Canyon Road intersection #7 needs to be revised to reflect the MM 3.13-2 improvement language elsewhere in the FEIR.

Response: Section 2.3 Findings and Facts in Support of Findings, page 124, discusses Impact 3.13-2 and Mitigation Measure 3.13-1 for improvements at State Route 29 and Butts Canyon Road (Intersection #7). The traffic mitigation language for Mitigation Measure 3.13-1 shown here did not reflect the updated mitigation language found in Section 3.13.5 of the FEIR. The traffic mitigation language found in Section 2.3, page 124, has been revised to reflect the language found in Section 3.13.5 of the FEIR. Refer to the corrected Findings of Facts and Statement of Overriding Considerations in **Exhibit 1**.

Caltrans Comment: Attached is a copy of Caltrans North Region Right of Way Engineering Requirements for the Preparation of Documents and Maps April 2, 2020.

This is a reference for Caltrans procedural comments relating to Right of Way, Oversight, Encroachment Permits.

Response: Comment noted. Proposed traffic mitigation measures on State transportation facilities associated with the Proposed Project will be subject to applicable permits, approval, and oversight by Caltrans and the California Transportation Commission (CTC). This is consistent with the required permits and approvals described in Section 2.7 of the Draft EIR.

3) Summary of how the Final EIR has changed since the Draft EIR

Volume 1 of the Final EIR consists of comments received on the Draft EIR and responses to those comments. Thus all of the material in this volume is new and has not previously been reviewed by the Commission. Additionally, Volume 1 includes a brief summary of the changes to the Proposed Project that have been made since publication of the Draft EIR. These changes have been made primarily in response to the comments received and result in equal or more stringent environmental protections. A brief summary from Volume 1 of the Final EIR, Section 1.3, is provided below:

- **Planning Area Name Change:** The name of the proposed “Red Hill” planning area has been revised to “Golf Course Estates” in order to avoid any potential confusion with the previously established “Red Hills American Viticultural Area” wine growing region in Lake County.
- **Open Space Overlay Zone Boundary Changes:** The designated open space overlay zone boundary area has been shifted slightly to accommodate the Proposed Project while still satisfying existing mitigation requirements. The overall acreage of the open space overlay zone remains 2,765 acres, consistent with the area described in the Draft EIR.
- **Habitat Connectivity Easements.** The Proposed Project has been revised to include approximately 400 acres of habitat connectivity easements that generally correspond to the least cost wildlife movement pathways identified in the Mayacamas to Berryessa (M2B) Connectivity Network Report (M2B Study). These will be recorded as habitat easements on the tentative maps for the property.
- **Wildfire Response Plan Changes:** The Wildfire Response Plan has been amended to require the establishment of roadway fire breaks upon occupancy of structures (versus leaving the timing of the fire breaks to the discretion of the homeowners association) and to require primary structures to be equipped with an exterior fire suppression system.

Volume 2 of the Final EIR consists of a revised version of the main body of the Draft EIR with changes shown in underline for additions and ~~strikeout~~ for deletions. The EIR consultant has prepared a summary of the changes to the main body of the Draft EIR which is provided as **Exhibit 2**.

Volume 3 of the Final EIR consists of either new or revised technical appendices that have been prepared since release of the Draft EIR. Volume I, Section 1.4 includes a summary of the changes and additions to the technical appendices. This summary is provided below:

- Revised Appendix OAK – The Oak Mitigation Plan has been revised to increase oak woodland preservation ratios to require three acres of preservation for every acre of impacts to valley oak woodland, and two acres of preservation for every acre of impacts to all other oak woodlands. The Oak Preservation Plan provided as an attachment to the Oak Mitigation Plan has been supplemented with additional preservation areas to demonstrate feasibility in attaining these higher preservation ratios. Clarification has been added to the Oak Mitigation Plan regarding the classification of oak savanna as a sub-set of oak woodland with canopy cover of oaks from 10 to 60 percent. Finally, monitoring requirements for mitigation plantings have been increased from three years to seven years.
- Revised Appendix OSPP – Mitigation for the 2009 Water Rights Modification Project required preservation of 2,765 contiguous acres of habitat preserved in tandem with vineyard buildout. An amendment to the proposed open space boundary was included as an attachment to the Draft EIR. Minor adjustments have been made to this boundary to accommodate the Proposed Project while still satisfying existing mitigation requirements. The revised OSPP shows only those areas required to satisfy mitigation for the 2009 Water Rights Modification Project.
- Revised Appendix FIRE – require the establishment of roadway fire breaks upon occupancy of structures (versus leaving the timing of the fire breaks to the discretion of the homeowners association) and to require primary structures to be equipped with an exterior fire suppression system. Additionally, this appendix includes additional discussion on wildfire response and evacuation procedures.
- Revised Appendix DG – The design guidelines have been revised to provide additional information on project design and allowable development characteristics. A section has been added to discuss development setbacks near aquatic habitat and supporting vegetation, and the appropriate impact minimization methods. These updates acknowledge potential permitting requirements. It is clarified that residential lots are restricted to a 1.5-acre buildout area, or 1.0 acres on lots within oak woodlands. The Wildfire Defense System is described in greater detail with 24/7 monitoring requirements. Additional restrictions on fencing within residential lots has been included to require wildlife-friendly materials and design. The updated Design Guidelines provide an emphasis on preservation of sensitive biological resources and include restrictions within areas identified as Habitat Corridor Easement Areas.
- Revised Appendix SPOD – Appendix SPOD has been revised to include several replacement slip sheets related to minor design modifications within the Maha Farms and Golf Course planning areas. All changes take place within the previously defined area of potential effects (APE) shown in Figures 2-6A-F of the Draft EIR.
 - Within the Maha Farms area, the residence club went from a three-story building to three separate buildings, but the theater, previously a separate building, was removed and the function was incorporated into the lower floor of the residence club. The agricultural area decreased in size, and the grand total of the Maha Farms impact area also decreased in size. All of these changes occur within the APE.

- The golf course has undergone minor changes to reduce potential impacts to waters of the U.S. Golf maintenance facilities and clubhouse have also been reoriented due to survey data and design needs. Again, all changes occur within the APE.

The following new appendices have been added since release of the Draft EIR:

- New Appendix ATTM - Air Transportation Technical Memo. An Air Transportation Technical Memo has been provided to clarify information related to the operations of the float plane dock and helipads within the site. This appendix also provides information related to noise levels resulting from air travel.
- New Appendix BOHN - Upper Bohn Lake Recreation Operation Plan. A recreation operation plan has been prepared to further identify the recreational uses at Upper Bohn Lake, including landing, and launch locations.
- New Appendix WILDLIFE - A systematic review of habitat connectivity as proposed in the Guenoc Valley Mixed Use Project in relation to the Mayacamas-to-Berryessa (M2B) Connectivity Network Report (M2B Study). This document evaluates wildlife movement corridors on the Guenoc Valley Site that were identified in the Mayacamas-to-Berryessa Connectivity Network Report (M2B Study; Gray, 2018). Appendix WILDLIFE assesses the Proposed Project's potential impacts to these wildlife movement pathways and discusses methods to preserve or offer alternatives to potentially impacted corridors. Approximately 400 acres of Habitat Connectivity Easements will be designated within the site as a result of this analysis. The locations of these easements are shown on Final EIR, Volume II, Figure 2-6, and generally correspond to the least cost wildlife movement pathways identified in the M2B Study.
- New Appendix TDM - Transportation Demand Management Plan. A Transportation Demand Management (TDM) Plan has been provided to clarify information related to the description, scope, implementation, monitoring, and reporting of the TDM strategies required by Mitigation Measure 3.13-4.
- New Appendix WRA - WRA Response to comments Memorandum. A technical memorandum was prepared by WRA to clarify the definition of oak habitat types used throughout the Biological Resources Assessments (Appendix BRA1 and BRA2 of the Draft EIR) and the Draft EIR. This memorandum also provides additional analysis on suitable oak preservation ratios based on scientific literature and local regulations.

SAMPLE MOTIONS:

Environmental Impact Report (EIR 18-01) - FINAL CERTIFICIATION

I move that Planning Commission recommend the Board of Supervisor **certify the Final Environmental Impact Report, EIR 18-01 (FEIR)** prepared for the **Guenoc Valley Mixed Use Planned Development Project** has been completed in compliance with the California Environmental Quality Act (CEQA) and the State CEQA Guidelines.

GUENOC VALLEY MIXED USE DEVELOPMENT MOTIONS

General Plan Amendment Approval (GPAP 18-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion of approval for the **General Plan Amendment, GPAP 18-01** applied for by **Lotusland Land Investments Holdings, Inc.** and further direct staff to prepare a proposed resolution based on the following findings: The proposed General Plan Amendment is in the public interest as it supports implementation of the Middletown Area Plan and policies of the General Plan, especially related to economic development and support for economically diverse job base, innovative resort/residential communities, agritourism opportunities and resort-related uses while at the same time protecting significant agricultural lands, open space and natural resources of the area as discussed in **the Staff Report Packet Dated June 18, 2020 and the Supplemental Staff Report dated June 22, 2020.** An Environmental Impact Report, pursuant to the California Environmental Quality Act, was prepared for General Plan Amendment.

Zoning Text Amendment (AM 18-04)

I move that the Planning Commission recommend that the Board of Supervisors make a motion of approval for the **Zoning Text Amendment, AM 18-04** applied for by **Lotusland Land Investments Holdings, Inc** based on the following findings: The proposed Zoning Text Amendment is found to be consistent with **the Lake County General Plan**, as proposed to be amended, and **the Middletown Area Plan**, as outlined in the **Environmental Impact Report, the Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

Rezone (RZ 18-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion of approval of this rezoning (**RZ 18-01**) applied for by **Lotusland Land Investments Holdings, Inc** based on the following findings: The proposed rezoning is found to be consistent with **the Lake County General Plan**, as proposed to be amended, and **the Middletown Area Plan**, as outlined in the **Environmental Impact Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

General Plan of Development (GPD 18-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion to approve the **General Plan of Development (GPD 18-01)** applied for by **Lotusland Land Investments Holdings, Inc**, subject to the conditions and with the findings and reasons listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

Major Use Permit (UP 18-49)

I move that the Planning Commission recommend that the Board of Supervisors find that **Major Use Permit (UP 18-49)**, applied for by **Lotusland Land Investments Holdings, Inc**, does meet the requirements of Article 15, Section 15.7 and Article 51, Section 51.4 of the Lake County Zoning Ordinance and grant the **Major Use Permit for the Guenoc Valley Mixed Use Planned Development Project** subject to the conditions and with the findings listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

Tentative Subdivision MAP Approval (SD 18-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion and find the **Tentative Subdivision Map (SD 18-01)** applied for by **Lotusland Land Investments Holdings, Inc** is in conformity with the provisions of the Subdivision Map Act and Chapter 17 of the Lake County Code and upon that basis, the Board of Supervisors **approve said map subject to the terms and conditions** and with the reasons and findings of approval listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

Development Agreement (DA 18-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion of approval for the **Development Agreement (DA 18-01)** applied for by **Lotusland Land Investments Holdings, Inc** based on the reasons and findings of approval listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

MIDDLETOWN OFFSITE HOUSING (SANTA CLARA SITE) MOTIONS

Rezone (RZ 20-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion of approval of this rezoning (**RZ 20-011**), and approve the proposed rezoning applied for by **Lotusland Land Investments Holdings, Inc** based on the following findings: The proposed Zoning Text Amendment is found to be consistent with **the Lake County General Plan**, as proposed to be amended, and **the Middletown Area Plan**, as outlined in the **Environmental Impact Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

Tentative Subdivision Map Approval (SD 20-01)

I move that the Planning Commission recommend that the Board of Supervisors make a motion and find the **Tentative Subdivision Map (SD 20-01)** applied for by **Lotusland Land Investments Holdings, Inc** is in conformity with the provisions of the Subdivision Map Act and Chapter 17 of the Lake County Code and upon that basis, the Board of Supervisors **approve said map subject to the following terms and conditions** and with the reasons and findings of approval listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020**

Major Use Permit (UP 20-02)

I move that the Planning Commission recommend that the Board of Supervisors find that **Major Use Permit (UP 20-02)** for the community clubhouse applied for by **Lotusland Land Investments Holdings, Inc** does meet the requirements of **Article 51, Section 51.4 and Article 27, Section 27.11(f)** of the Lake County Zoning Ordinance and grant the **Major Use Permit, UP 20-02** subject to the conditions and with the findings listed in the **Environmental Impacts Report (EIR), Staff Report Packet Dated June 18, 2020, and the Supplemental Staff Report dated June 22, 2020.**

GENERAL PLAN POLICY MOTIONS

Lake County General Plan:

I move that the Planning Commission recommend that the Board of Supervisors make a motion to amend **General Plan Policy LU 6.12 of Chapter 3, Section 3.9 (Economic Development)** of the Lake County General Plan, because it is in the public interest as it supports implementation of the Middletown Area Plan and policies of the General Plan, especially related to economic development and support for economically diverse job base, innovative resort/residential communities, agritourism opportunities and resort-related uses while at the same time protecting significant agricultural lands, open space and natural resources of the area, as further presented **in the Supplemental Staff Report dated June 22, 2020**, to include the following section: **“6.12.3 The provisions of 6.12.1 and 6.12.2 shall not apply to the Special Study Area of the Middletown Area Plan”**.