


COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, Agency Director

**PLANNING
SERVICES DIVISION**

Paul Thompson, Deputy Director

MEMORANDUM

TO: Honorable Board of Supervisors
FROM: Michael Johnson, Agency Director 
DATE: December 11, 2012
SUBJECT: **MODIFICATION OF THE RIOLO VINEYARD SPECIFIC PLAN MITIGATION MONITORING AND REPORTING PROGRAM AND CORRESPONDING TEXT REVISIONS TO THE CERTIFIED ENVIRONMENTAL IMPACT REPORT**

ACTION REQUESTED

1. Adopt an Addendum to the 2009 Certified Environmental Impact Report for the Riolo Vineyard Specific Plan to incorporate revisions to the mitigation obligations as they relate to the provision of affordable housing within the Specific Plan.
2. Adopt a Resolution Modifying the Revised Mitigation Monitoring and Reporting Program for the Riolo Vineyard Specific Plan to allow for an off-site alternative (to be located at the Acres of Hope facility, 13675 Bowman Road in the Auburn/Bowman Planning Area) for the provision of affordable housing as required by the Riolo Vineyard Specific Plan.

PROPOSAL

The proponents of the Riolo Vineyard Specific Plan (Homes by Towne) seek modifications to the 2009 Riolo Vineyard Mitigation Monitoring and Reporting Program (MMRP) to incorporate revisions to allow for an off-site alternative for the provision of affordable housing as required by the Riolo Vineyard Specific Plan. The modified MMRP would allow the project proponents to assist Placer Family Housing/Acres of Hope, a non-profit organization, in relocating Acres of Hope to a permanent and larger property located on Bowman Road within the Auburn-Bowman planning area.

As set forth in the Riolo Vineyard MMRP, Mitigation Measure 5-3a currently reads as follows:

Comply with Placer County's 10 percent requirement for affordable housing on project-level parcels. The County shall ensure that the affordable housing units proposed by the Applicant are allocated to meet the overall requirement for affordable housing as identified in its guidance for all Specified (sic) Plans, which requires 10 percent of new developments to be reserved for affordable housing, or 4 percent of the units for very-low income households, 4 percent of the units for low-income households, and 2 percent of the units for moderate-income households.

As proposed by the project proponent, the proposed modification to Mitigation Measure 5-3a would read as follows:

Comply with Placer County's 10 percent requirement for affordable housing on project-level parcels by providing funding to Placer Family Housing/Acres of Hope. The County shall ensure that the affordable housing obligation for the Riolo Vineyard Specific Plan project is met through the provision of financial support for the Acres of Hope transitional housing facility located at 13675 Bowman Road in the Bowman area. Said funding shall be

paid through escrow, with a payment of \$100,000 within fifteen (15) days following Board approval of this revised mitigation measure (\$50,000 has already been advanced). Annual payments of \$85,000 will be paid beginning in October 2013 for the next five (5) years for total funding of \$575,000. The funding obligation shall be secured by a deed restriction recorded against the Riolo Vineyard Specific Plan high density (HD) Parcel, restricting the use of that parcel as an affordable housing site until the full financial commitment has been satisfied. In the event the Acres of Hope operations and entity cease to exist during this payment period, escrow instructions will provide that any remaining amounts payable be released to Placer County for use at other affordable housing locations or programs as determined by the County.

Placer County Code, Chapter 18, Article 18.28, Section 18.28.090.B. authorizes modifications of an approved MMRP through review and approval by the "approving authority." The approving authority in this case is the Board of Supervisors, as the Board originally approved the Riolo Vineyard Specific Plan in 2009.

BACKGROUND

The Riolo Vineyard Specific Plan was approved by the Placer County Board of Supervisors in May 2009 and included approval of amendments to the Placer County General Plan and Dry Creek/West Placer Community Plans, a Rezone, a Development Agreement, Finance Plan, Large-Lot and Small-Lot Vesting Tentative Subdivision Maps, Development Standards and Design Guidelines, and certification of the Environmental Impact Report (SCH No. 2005092041) and its associated Mitigation Monitoring and Reporting Program.

The Specific Plan included 933 residential units to be built within 14 phases, with development intended to occur from the east towards the west side of the plan area. As set forth in Section 2.6 (Affordable Housing) of the Development Agreement for the Riolo Vineyard Specific Plan project, the developer of the project is required to provide 10 percent of the total residential units within the Specific Plan area as affordable housing. Based upon the residential units being developed by the project proponent (as opposed to the lands being developed by another entity), the project proponent was required to construct 54 affordable housing units on a parcel located at the northeast corner of Watt Avenue and PFE Road. As set forth in Section 2.6.1 of the Riolo Vineyard Development Agreement, this parcel was to be set aside exclusively for the development of affordable housing within the Riolo Vineyard Specific Plan area. Section 2.6.4 (Construction of Affordable Housing) requires that the affordable housing requirement, at a minimum, be commenced prior to the issuance of the 400th building permit for the Riolo Vineyard project. Based upon current market conditions, staff has concluded the 400th building permit will not be issued for another 10 to 15 years.

In looking at the current realities of the County's residential market, the project proponent approached the County to discuss alternative ways of addressing its affordable housing requirements now instead of deferring the issue for 10 to 15 years. In 2011, the project proponent met with representatives from Acres of Hope to discuss opportunities that may exist to further the acquisition of a permanent Acres of Hope facility.

Acres of Hope is a faith-based renewal center serving at-risk women with children by providing them with a home and an environment of structured programming to improve the economic, social and spiritual quality of life for at-risk and/or homeless single mothers. Acres of Hope's current facility is located on Lake Arthur Road in the Applegate area. Acres of Hope's unique approach allows residents to live on-site for up to two years while staff and volunteers invest heavily in the residents' lives by providing encouragement, practical life-skills training, job skills, mentoring and spiritual direction.

Acres of Hope is currently leasing its facility in Applegate and, based upon the success of the program over the past five years, Acres of Hope desired to purchase a property where it could permanently establish its program. Through its discussions with the project proponent for the Riolo

Vineyard Specific Plan, Acres of Hope concluded a solution could be found that would allow Acres of Hope to secure a permanent facility that can better meet the needs of its clients, while at the same time providing a near-term solution for addressing the affordable housing requirements of the Riolo Vineyard project.

Through the project proponent's commitment of \$575,000 to be paid over the next five years, Acres of Hope prepared a cash-flow plan that has allowed the organization to proceed with the purchase of a permanent facility in the Bowman area (the former mobilehome park site located at 13675 Bowman Road). Through the commitment of \$575,000, it is the project proponent's intent to have this commitment substitute for its provision of affordable housing within the Riolo Vineyard Specific Plan area.

ANALYSIS

As described above, implementation/completion of the affordable housing component of the Riolo Vineyard Specific Plan project would not be required until the issuance of the 400th building permit. Based upon current market conditions, it would be a minimum of ten years before the affordable housing component would be commenced. With this anticipated absorption rate, staff has concluded that the affordable housing component of the Riolo Vineyard Specific Plan project would not be commenced/completed until 2022/2025.

It was on this basis that the project proponent approached Acres of Hope to see if there was an opportunity to spend dollars in 2012 to address the Riolo Vineyard affordable housing requirement instead of deferring the requirement for 10 to 15 years. As noted above, the project proponent has an obligation under the current Riolo Vineyard Specific Plan to provide for 54 affordable rental units to be located on a 3.7-acre parcel located at the northeast corner of PFE Road and Watt Avenue. Through fees to be paid over time (with fees increased annually based on the estimated ENR index), the total amount of the project proponent's affordable housing fee obligation is estimated to be \$1,400,321 through a projected build-out of the project proponent's portion of the Riolo Vineyard Specific Plan in Year 2030 (this obligation amount does not include the value of the 3.7-acre parcel located at the northeast corner of Watt Avenue and PFE Road). The precise timing and provision of these affordable units is unknown, and is solely dependent upon numerous factors that would lead to actual development and construction within the Specific Plan area.

The estimated affordable housing fee obligation of \$1,400,321 was calculated based upon the \$1,800 per market-rate unit affordable housing fee that each residential unit will be required to pay, and the anticipated absorption rate of residential units within the Riolo Vineyard Specific Plan project area. Consistent with the terms of the Development Agreement, these collected affordable housing monies would adjust annually based upon the 20-cities Construction Cost Index in the Engineering News Record. Over the past 12 years, the annual ENR rate has averaged 3.208 percent annually, and so this annual appreciation rate was used in calculating the anticipated appreciation of the affordable housing funds. Through build-out of the Riolo Vineyard Specific Plan project (anticipated to occur in 2030), it is anticipated that the affordable housing fund would grow to a total value of \$1,400,321.

As noted above, the project proponent has proposed to commit funding in the amount of \$575,000 to Acres of Hope over the next six years, with an immediate contribution of \$150,000 (the project proponent has already loaned \$50,000 to Acres of Hope with the balance to be paid at such time that the County sanctions this proposal), subject to the County's approval of the modification to the MMRP. The Net Present Value (NPV) comparison below looks at the timing and payments of the two cash flows: the timing and amount of the project proponent's payments to Acres of Hope, and the timing and amount of project proponent's payments of the currently required affordable housing fee to the County. These calculations assume a discount rate of 10 percent which is a generally accepted and conservative estimate of the rate that the project proponent's funds would otherwise earn, and a reasonable build-out projection for the Riolo Vineyard Specific Plan of 18 years (in Year 2030).

RVSP Affordable Housing Obligation at Build-out (10% NPV Rate to YR 2030)	=	\$1,400,321
	=	\$490,871
RVSP Financial Commitment to Acres of Hope (10% NPV Rate to YR 2017)	=	\$575,000
	=	\$472,217
Difference	=	\$(18,654)

These Net Present Value calculations indicate that the difference between the respective values of the project applicant's proposal results in an apparent financial shortfall of \$18,654 as compared to funding the current Riolo Vineyard Specific Plan affordable housing obligation. Given this difference, the project proponent has agreed to consider paying this shortfall in order to equalize the two cash flows calculations.

At the same time, it is important to note that these payments reflect only one element of the differences between the existing Riolo Vineyard Specific Plan affordable obligation and the Acres of Hope proposal. The ability to support and immediately provide for a critical transitional housing facility at Acres of Hope today, as compared to the speculative and unknown time period for the possibility that an affordable housing facility might be constructed within the Riolo Vineyard Specific Plan, would appear to have some level of value in offsetting this shortfall amount.

Another issue to consider is the Riolo Vineyard Specific Plan requirement to construct 54 affordable housing units, and the Acres of Hope proposal for approximately 40 manufactured homes on the Bowman Road property. While this apparent "shortfall" of 14 units may appear significant, it is important to note that, for the Riolo Vineyard Specific Plan project, there is no requirement on the types of units constructed. As a result, it is possible that the 54 units may be made up of a series of one- and two-bedroom units.

In contrast, each of the manufactured homes within the Acres of Hope development will be a true family-unit, with a combination of two- and three-bedroom manufactured homes being utilized. As a result, the actual number of bedrooms to be provided within the Acres of Hope development will be equal to or greater than what might be developed within the Riolo Vineyard Specific Plan. Additionally, one of the most difficult affordable housing categories to provide housing for is family units (i.e., affordable housing units with two, three and four bedrooms). With this proposal, the County will be adding to its inventory of affordable housing units, which continue to be very lacking.

Staff has also identified additional affordable housing benefits with this proposal. Whereas the Riolo Vineyard Specific Plan affordable housing units would potentially offer housing to residents with a range of income levels from median- to very low income, the Acres of Hope project will be providing housing to families who are typically at poverty level and are likely to otherwise be homeless. Furthermore, while most transitional housing facilities might typically see residency durations of six months, it is common for the mothers and their children at Acres of Hope to remain as residents for an average of nearly two years. The Acres of Hope facility and programs will offer far greater benefits to assisting its more needy families of single mothers and their children prepare to re-enter society.

To assure that any affordable housing monies provided to Acres of Hope for the development of the Bowman property are in fact used for affordable housing needs, staff has recommended, and the project proponent has agreed, to have a deed restriction recorded against the Riolo Vineyard Specific Plan affordable housing parcel, and this deed restriction would not be released until such time that the project proponent has made its final payment to Acres of Hope. In the event that the project proponent fails to deposit into escrow any of the payments to Acres of Hope that it has agreed to make as described above, the County would have the right to withhold subsequent approvals that the project proponent will need in order to proceed with development of the Riolo Vineyard Specific Plan project.

While the fine-tuning of details such as those described above will be addressed at such time that the required modification to the Riolo Vineyard Specific Plan and associated Development Agreement are considered by the Board of Supervisors, with this current proposal the Board of Supervisors is being requested to act upon a modification to the existing Mitigation Monitoring Reporting Program (MMRP) so that the Acres of Hope activities at the Bowman site can be advanced towards their 2013 opening.

Subsequent to the Board's approval of the modified MMRP, and the project proponent's payment of an additional \$100,000 to Acres of Hope, County staff and the project proponent will structure an agreement solidifying this arrangement and outlining the implementation steps to assure the timely delivery of affordable housing as required by the Riolo Vineyard Specific Plan. These steps will include revisions to the Riolo Vineyard Specific Plan land plan as well as modifications to the Specific Plan and Development Agreement, to allow for the Riolo Vineyard Specific Plan affordable housing requirement to be met through the provision of financial support for the acquisition of the Bowman site for the Acres of Hope facility. These subsequent amendments will ultimately be presented to the Planning Commission and Board of Supervisors for consideration.

ENVIRONMENTAL ANALYSIS

Consistent with the requirements of CEQA Guidelines Section 15162, the County must determine whether the proposed changes to the MMRP and corresponding text in the Revised Draft EIR trigger the need for a Subsequent EIR. Under that section, when an EIR has been certified for a project, no Subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

- The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
- Significant effects previously examined will be substantially more severe than shown in the previous EIR;
- Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
- Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

If any of the triggers set forth above occurs, the County would be required to prepare a Subsequent EIR, unless "only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation," in which case a "Supplement to an EIR" would suffice (see CEQA Guidelines, §15163). If there are no grounds for either a Subsequent EIR

or a Supplement to an EIR, then the County would be required to prepare an addendum pursuant to CEQA Guidelines Section 15164, explaining why “some changes or additions” to the 2007 Final EIR “are necessary but none of the conditions described in Section 15162 calling for preparation of a Subsequent EIR have occurred.”

The proposed revisions to the Riolo Vineyard Specific Plan MMRP would not alter any of the conclusions of the certified EIR regarding the significance of environmental impacts. Because the proposed revisions would not alter the Riolo Vineyard Specific Plan boundaries, land use designations or the amount or location of development, including off-site infrastructure, the impacts on the physical environment would be unchanged. Additionally, because the mobilehome park in Bowman is a permitted land use (and the Acres of Hope project will be utilizing the infrastructure previously constructed for the mobilehome park that are located on the site), implementation of the Acres of Hope project will not result in the creation of impacts or secondary impacts that have not previously been identified and/or addressed.

Therefore, impacts associated with the development of the High Density parcel within the Riolo Vineyard Specific Plan project, located at the northeast corner of Watt Avenue and PFE Road, would be the same as those identified in the Certified EIR. Additionally, any impacts associated with the development of the Acres of Hope project site on Bowman Road were addressed and mitigated when the original mobilehome project was previously constructed. As a result, no new or previously unidentified impacts will result from the establishment of the Acres of Hope mobilehome park on this site. As a result, staff has determined that an Addendum to the Certified EIR is the appropriate document under CEQA.

Placer County Code Section 15.65.220 (Alternatives to the Standard Inclusionary Housing Requirements) allows for an alternative to the standard inclusionary housing program “if the location of the off-site development would be superior to on-site development from the perspective of access to transportation, public facilities, or other applicable residential planning criteria applicable to the general plan”.

In its analysis of this proposal, staff has concluded that the alternative site (Acres of Hope/Bowman property) being considered with this proposal is in fact a superior site, as the Acres of Hope property already has needed infrastructure constructed, and development of the site can commence immediately. Additionally, the Bowman site is in proximity to existing transportation services, public facilities and retail services that could be utilized by the residents of the Acres of Hope development.

CONCLUSION/RECOMMENDATION

The modified MMRP would allow the project proponent’s financial assistance to provide immediate help to Acres of Hope in addressing a critical element of Placer County’s affordable housing needs by assisting poverty-level homeless families through Acres of Hope’s established and successful transitional housing programs. Acres of Hope offers transitional housing and structured programming which provides a pathway back into the mainstream for homeless Placer County women, with a history of substance abuse, and who have children.

For the past year, Acres of Hope and the project proponent have been engaged in discussions wherein the project proponent would provide funding to assist Acres of Hope with the acquisition and operation of its new permanent transitional housing facility. As outlined in this report, the level of funding to be provided by the project proponent, utilizing Net Present Value calculations, is comparable to the monies that would have been required to construct affordable housing within the Riolo Vineyard Specific Plan project.

Staff has concluded that the Acres of Hope program is consistent with the policies of the County’s Housing Element, and there is a great benefit to providing funding now to address affordable housing needs within the County as opposed to waiting approximately 12 to 15 years for the required construction of affordable units within the Riolo Vineyard Specific Plan area. As a result, this

proposal would accelerate funding to Acres of Hope and more timely meets Placer County's need for special housing by supporting a new permanent transitional facility in the Bowman area.

Staff has also concluded the proposed revision to Mitigation Measures 5-3a will provide comparable mitigation for affordable housing. While the proposed revision contemplates the funding of affordable housing off-site instead of on the HD parcel in the Riolo Vineyard Specific Plan area, the Acres of Hope location is superior to that of the HD parcel in terms of proximity to transportation and public facilities. Furthermore, the proposed revised MM 5-3a will satisfy a current need for long-term transitional housing for poverty-level families in Placer County. The revised MM 5-3a will enable the County to immediately realize and support this affordable housing use instead of waiting up to 15 years to realize any benefit from construction of affordable units in the Riolo Vineyard Specific Plan area. While this need may still be present in 15 years, the focus of the County is on satisfying current affordable housing needs.

The project proponents (Homes by Towne) have agreed to the proposed revisions of the mitigation measures as set forth in this staff report.

Staff recommends the Board of Supervisors take the following action:

- (1) Adopt the Addendum to the Certified EIR for the Riolo Vineyard Specific Plan in the form attached as Attachment 1 subject to the following findings:
 - (a) The Board of Supervisors finds that the Addendum has been prepared in compliance with CEQA Guidelines Section 15164 and that there are no grounds to require the preparation of either a Subsequent or a Supplement to the previously certified Riolo Vineyard Specific Plan EIR.
 - (b) While the proposed revision to Mitigation Measure 5-3a does not change the ultimate conclusion in the Certified Final EIR as to the project's impacts to the provision of affordable housing, the proposed revisions to Mitigation Measure 5-3a are consistent with the Placer County Housing Element and the County's desire to provide affordable housing opportunities to Very Low Income and special needs residents of the County.
- (2) Adopt the Resolution Modifying the Revised Mitigation Monitoring and Reporting Program for the Riolo Vineyard Specific Plan in the form attached as Attachment 2.

ATTACHMENTS:

- Attachment 1: Addendum to the Certified EIR
 - Exhibit A: Proposed text modifications to the Revised Draft EIR (with attachments)
 - Exhibit B: Proposed modifications to the MMRP in red-line format
- Attachment 2: Resolution Adopting Revised Mitigation Monitoring and Reporting Program
- Attachment 3: Concept Site Plan for the Acres of Hope/Bowman Facility

cc: Jeff Pemstein – Homes by Towne
Dave Cook – The RCH Group
Karin Schwab – County Counsel's Office
Michael Johnson – CDRA Director
Paul Thompson – Deputy Planning Director

ADDENDUM TO THE RIOLO VINEYARD SPECIFIC PLAN CERTIFIED ENVIRONMENTAL IMPACT REPORT (SCH No. 2005092041)

Project Name: Riolo Vineyard Specific Plan

Introduction

This Addendum to the certified Riolo Vineyard Specific Plan Environmental Impact Report (SCH No. 2005092041) has been prepared pursuant to CEQA Guidelines Section 15164.d. and Placer County Environmental Review Ordinance Section 18.16.090.

Project location

The Riolo Vineyard Specific Plan ("RVSP") area is located in unincorporated southern Placer County and is situated 2.5 miles southwest of the City of Roseville and 15 miles northeast of the Sacramento metropolitan area, just north of Placer County's border with Sacramento County. The site is bounded by Dry Creek to the north, Walerga Road to the east, PFE Road to the south, and Watt Avenue to the west. The RVSP is located within Section 7 of Township 10 North, Range 6 East, and Section 12 of Township 10 North, Range 5 East, as depicted on the Citrus Heights and Rio Linda Quadrangles of U.S. Geological Survey Topographic maps.

Project History

The RVSP is an approved residential community with open space, recreational, and commercial components and encompasses approximately 525 acres. The Board of Supervisors approved the RVSP on May 12, 2009, after certifying the project's Environmental Impact Report (Certified EIR), adopting Findings of Fact and Statement of Overriding Considerations and adopting the Mitigation Monitoring Reporting Program.

The term "Certified EIR" as used in this Addendum refers to the following components of the EIR for the RVSP:

- Draft EIR (DEIR) for the RVSP, January 2008
- Final EIR (FEIR) for the RVSP, October 2008
- Findings of Fact and Statement of Overriding Considerations for the RVSP, May 12, 2009
- Mitigation Monitoring Reporting Program, May 12, 2009

Current Request

The RVSP property owners seek a modification to the 2009 RVSP Mitigation Monitoring Reporting Program (“MMRP”) to modify Mitigation Measure 5-3a which addresses the RVSP affordable housing requirement and to revise the corresponding text in the Draft EIR. The proposed text modifications to the Draft EIR are contained in **Exhibit A** to this Addendum. The proposed modifications to the MMRP, in red-line format, are contained in **Exhibit B** to this Addendum.

Mitigation Measure 5-3a currently reads as follows:

Comply with Placer County’s 10 percent requirement for affordable housing on project-level parcels. The County shall ensure that the affordable housing units proposed by the Applicant are allocated to meet the overall requirement for affordable housing as identified in its guidance for all Specified (sic) Plans, which requires 10 percent of new developments to be reserved for affordable housing, or 4 percent of the units for very-low income households, 4 percent of the units for low-income households, and 2 percent of the units for moderate-income households.

The proposed modified version of MM 5-3a is as follows:

Comply with Placer County’s 10 percent requirement for affordable housing on project-level parcels by providing funding to Placer Family Housing/Acres of Hope. The County shall ensure that the affordable housing obligation for the Riolo Vineyard Specific Plan project is met through the provision of financial support for the Acres of Hope transitional housing facility located at 13675 Bowman Road in the Bowman area. Said funding shall be paid through escrow, with a payment of \$100,000 within fifteen (15) days following Board approval of this revised mitigation measure (\$50,000 has already been advanced). Annual payments of \$85,000 will be paid beginning in October 2013 for the next five (5) years for total funding of \$575,000. The funding obligation shall be secured by a deed restriction recorded against the Riolo Vineyards Specific Plan high density (HD) Parcel, restricting the use of that parcel as an affordable housing site until the full financial commitment has been satisfied. In the event the Acres of Hope operations and entity cease to exist during this payment period, escrow instructions will provide that any remaining amounts payable be released to Placer County for use at other affordable housing locations or programs as determined by the County.

Placer County 's General Plan’s Housing Element requires that Specific Plan projects provide 10 percent of all housing units within each project be made available to lower income residents. For the entire currently approved RVSP, the 10 percent current affordability requirement is as follows:

- 2 percent of the total for moderate income (81 to 120 percent of Placer County Median Income)
- 4 percent of the total for low income (51 to 80 percent of Placer County Median Income)
- 4 percent of the total for very low income (50 percent or less of Placer County Median Income)

A 3.7-acre (net) high density (HD) parcel (Parcel) at the northeast corner of PFE Road and Watt Avenue has been designated for the development of affordable housing within the RSVP. The Parcel is to have a deed restriction recorded against it, limiting the Parcel's use to affordable housing only, and an irrevocable offer of dedication is to be made to the County, which it may accept at any time after issuance of the 75th building permit. Currently, the RVSP Development Agreement ("DA") requires that the Developer use its best efforts to construct or cause to be constructed on the Parcel a minimum of 54 affordable housing units prior to the issuance of the 400th building permit for the RVSP project. Based on current market conditions, it is estimated that RVSP would begin construction of these units in approximately twelve (12) to fifteen (15) years.

Placer County Code Section 15.65.220 (Alternatives to the Standard Inclusionary Housing Requirements) allows for an alternative to the standard inclusionary housing program "if the location of the off-site development would be superior to on-site development from the perspective of access to transportation, public facilities, or other applicable residential planning criteria applicable to the general plan".

Acres of Hope is an organization which operates a faith-based live-in recovery center for single mothers with young children. Acres of Hope accepts residents on a referral basis only, which are made from Placer County, partner churches, existing programs serving the homeless, and individuals within the community. Acres of Hope has received favored status from the courts, and receives referrals from Placer's Health and Human Services Department, among other social service agencies. Residents, whose income is poverty level, stay up to two years.

Acres of Hope was leasing a site in Applegate for approximately 6.5 years, operating with a Minor Use Permit, but the site could only accommodate 10 families. Within the past year, the Acres of Hope Board determined that Acres of Hope could better serve its purpose by owning a site, rather than leasing. After an extensive property search, on October 2, 2012, Acres of Hope acquired the 3.3-acre site previously operated as a mobilehome park off Bowman Road at Interstate 80 in Auburn. To close escrow, Acres of Hope used donated funds and a promissory note carried back by the property owner.

The Bowman property currently has a license (Park ID No. 31-0037-MP) from California's Department of Housing and Community Development (HCD) to operate 39 lots (24 mobile homes and 15 RVs with existing hook-ups). It is Acres of Hope's understanding that HCD will agree to recognize the contemplated operations as being in compliance with the license. Acres of Hope plans to relocate current families from the existing Applegate location to the new Bowman facility in Spring 2013. Each family will have an individual cottage, located in pods of three or four buildings with a projected capacity of 40 living units for families of single mothers and their children and appurtenant facilities.

Acres of Hope will have 40 living units, as compared with the 54 units currently required for RVSP. However, the Acres of Hope alternative affordable housing opportunities will be available to families beginning in 2013, rather than 12 to 15 years from now.

In addition, whereas the RVSP units would potentially offer housing to residents with a range of income levels from median- to very low income, Acres of Hope would be providing housing to families who are typically at poverty level and are likely to otherwise be homeless. Furthermore, while most transitional housing facilities might typically see residency durations of six months, it is common for the mothers and their children at Acres of Hope to remain as residents for an average of nearly two years. Thus, the Acres of Hope facility and program is a hybrid between transitional housing and affordable housing which addresses the needs of poverty level families, a sector of the population that is often overlooked in affordable housing programs. This benefit, which can be achieved in the near-term, offers benefits to the County in meeting its current affordable housing needs and will offer benefits to assisting its more needy families of single mothers and their children prepare to re-enter society.

Authority to Amend MMRP

Placer County Code, Chapter 18, Article 18.28, Section 18.28.090.B. authorizes modifications of an approved MMRP through review and approval by the "approving authority". The approving authority in this case is the Board of Supervisors who originally approved the RVSP in 2009.

CEQA Guidelines Section 15162 Determination

Consistent with the requirements of CEQA Guidelines Section 15162, the County must determine whether the proposed changes to the MMRP and corresponding text in the Draft EIR result in any changed circumstances or "new information of substantial importance" that trigger the need for a subsequent EIR. Under that section, when an EIR has been certified for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

If any of the triggers set forth above occurs, the County would be required to prepare a subsequent EIR, unless "only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation," in which case a "supplement to an EIR" would suffice (see CEQA Guidelines, § 15163). If there are no grounds for either a subsequent EIR or a supplement to an EIR, then the County would be required to prepare an addendum pursuant to CEQA Guidelines section 15164, explaining why "some changes or additions" to the 2007 certified EIR "are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred."

Staff has concluded that an addendum to the previously Certified EIR for the RVSP is the appropriate document under CEQA for the request to revise Mitigation Measure 5-3a and corresponding EIR text for the following reasons:

As noted in the EIR, a “project’s tendency to increase the demand for affordable housing is not an environmental effect but rather is an economic or social effect outside the purview of CEQA [citation omitted]”. (DEIR, page 5-15.) However the RVSP EIR includes a discussion of the project’s potential to increase the demand/need for affordable housing and identifies Mitigation Measure 5-3a to ensure that the project complies with the Placer County 10 percent requirement for affordable housing on project-level parcels.

The proposed revision to Mitigation Measure 5-3a demonstrates compliance with the County’s affordable housing requirements and provides the benefit of allowing the County to address a current actual need in the County instead of waiting 12 to 15 years to realize the potential construction of affordable housing within the RVSP area.

The proposed revision to MM 5-3a does not involve new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The proposed replacement mitigation will provide funding for an affordable housing project that will establish itself on an existing parcel of land with existing housing. The RVSP infusion of funds will enable Acres of Hope to satisfy short-term mortgage payment requirements and initial set up of the facility.

The funding proposed will not result in secondary environmental impacts. Specifically, the Acres of Hope facility will be utilizing existing structures. While there may be future expansion of the facility, this expansion is too speculative to be considered at this point in time and is not directly related to the present funding proposal.

The proposed revision to MM 5-3a does represent a mitigation measure that is considerably different from that analyzed in the previous EIR. The previous EIR contemplated construction of units on the HD parcel of the RVSP. The current proposal is a funding proposal for an affordable housing facility in the Auburn area. However, staff has concluded that it will provide an equivalent level of mitigation as it will address the County’s current affordable housing needs by providing funding to Acres of Hope to establish a much needed long-term transitional housing facility. In addition, this is mitigation that the project applicant(s) propose and agree to.

Summary and Conclusion

- a. The proposed revisions to the RVSP MMRP and corresponding text in the EIR would not alter any of the conclusions of the Certified EIR regarding the significance of environmental impacts. Because the proposed revisions would not alter the RVSP boundaries, land use designations or the amount or location of development, including off-site infrastructure, the impacts on the physical environment would be unchanged.

- b. The proposed revision to Mitigation Measures 5-3a will provide comparable mitigation for affordable housing. While the proposed revision contemplates the funding of affordable housing off-site instead of on the HD parcel in the RVSP area, the Acres of Hope location is superior to that of the HD parcel in terms of proximity to transportation and public facilities. Furthermore, the proposed revised MM 5-3a will satisfy a current need for long-term transitional housing for poverty level families in Placer County. The revised MM 5-3a will enable the County to immediately realize and support this affordable housing use instead of waiting up to fifteen years to realize any benefit from construction of affordable units in the RVSP area. While this need may still be present in 15 years, the focus of the County is on satisfying current affordable housing needs.
- c. The RVSP owners have agreed to the proposed revisions of the mitigation measures as set forth in Exhibit B to this Addendum.

Exhibit A: Revised Discussion in DEIR, pages 5-14 – 5-15

Exhibit B: Modification to MMRP, Mitigation Measure 5-3a, in red-line format.

EXHIBIT A

- **DELETE AND REPLACE LAST PARAGRAPH ON PAGE 5-14 OF DRAFT EIR WITH FOLLOWING TEXT:**

Placer County Code Section 15.65.220 (Alternatives to the Standard Inclusionary Housing Requirements) allows for an alternative to the standard inclusionary housing program “if the location of the off-site development would be superior to on-site development from the perspective of access to transportation, public facilities, or other applicable residential planning criteria applicable to the general plan”. To meet the identified affordable housing obligation, the Applicant will provide funding for a transitional housing facility located at 13675 Bowman Road in the Bowman area in Auburn in the total amount of \$575,000. The funding obligation will be secured by a deed restriction recorded against the Riolo Vineyard Specific Plan high density (HD) Parcel, restricting the use of that parcel as an affordable housing site until the full financial commitment has been satisfied. In the event the transitional housing facility ceases to exist during this payment period, escrow instructions will provide that any remaining amounts payable be released to Placer County for use at other affordable housing locations or programs as determined by the County.

This off-site alternative is considered superior to on-site construction of affordable housing. The Bowman site already has needed infrastructure constructed and the site is in proximity to existing transportation services, public facilities and retail services that could be utilized by the residents. With the funding proposed by the Applicant, the affordable housing use of the site can commence in 2013. Thus the off-site alternative will enable the County to address a current actual affordable housing need in the County instead of waiting 12 to 15 years to realize any potential construction of affordable housing within the RVSP area.

With implementation of mitigation measure 5-3a, impacts would be reduced to a less-than-significant level.

- **DELETE TABLE 5-14 ON PAGE 5-15 OF DRAFT EIR**

EXHIBIT B
RED-LINE REVISION TO MITGATION MEASURE 5-3a OF THE RVSP MMRP

Riolo Vineyard Specific Plan



MITIGATION MONITORING AND REPORTING PROGRAM

Prepared for:

County of Placer

Planning Department
3091 County Center Drive
Auburn, California 95603



October 24, 2008

Prepared by:

URS

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**RIOLO VINEYARD SPECIFIC PLAN
MITIGATION MONITORING AND REPORTING PROGRAM (MMRP)**

STANDARD MITIGATION MONITORING PROGRAM

Placer County has adopted a standard mitigation monitoring program (Section 31.825 of the Placer County Environmental Review Ordinance) in order to implement Public Resources Code Section 21081.6. This program requires that mitigation measures recommended for discretionary projects, such as Riolo Vineyard, be included in the conditions of approval monitored by the County through a variety of permit processes as listed below.

- Development Review Committee
- Improvements Plan Approval
- Improvements Construction Inspection
- Encroachment Permit
- Final Map Recordation
- Acceptance of Project as Complete
- Building Permit Approval
- Certificate of Occupancy

The issuance of any of the listed permits or County actions, which must be preceded by a verification by County staff that certain conditions of approval/mitigation measures have been met shall serve as the required monitoring for those conditions of approval/mitigation measures. The following listing includes those mitigation measures for the Riolo Vineyard project that will be monitored through County staff verification of required approvals.

Land Use

- 4-5a Design project elements to buffer the project from adjacent agricultural uses
- 4-5b Notify residential property owners of County’s Right-to-Farm Ordinance
- 4-6a Install a community wall along the south and east sides of the lot where the electrical substation would be located
- 4-6b Install a split-face style wall along the north and west sides of the lot where the electrical substation would be located
- 4-7a Implement Mitigation Measure 4-5a (Design project elements to buffer the project from adjacent agricultural uses)
- 4-7b Implement Mitigation Measure 4-5b (Notify residential property owners of County’s Right-to-Farm Ordinance)

Population, Employment, and Housing

- 5-3a Comply with Placer County’s 10 percent requirement for affordable housing on project-level parcels (Amended on December 11, 2012)
- 5-4a Contribute a fair share to compensation/relocation assistance associated with Watt Avenue improvements
- 5-5a Comply with Placer County’s 10 percent requirement for affordable housing on program-level parcels
- 5-6a Contribute a fair share to compensation/relocation assistance on program-level parcels, if required

Mitigation Measure 5-3a:

~~Comply with Placer County's 10 percent requirement for affordable housing on project-level parcels. The County shall ensure that the affordable housing units proposed by the Applicant are allocated to meet the overall requirement for affordable housing as identified in its guidance for all Specified (sic) Plans, which requires 10 percent of new developments to be reserved for affordable housing, or 4 percent of the units for very low income households, 4 percent of the units for low income households, and 2 percent of the units for moderate-income households.~~

Comply with Placer County's 10 percent requirement for affordable housing on project-level parcels by providing funding to Placer Family Housing/Acres of Hope. The County shall ensure that the affordable housing obligation for the Riolo Vineyard Specific Plan project is met through the provision of financial support for the Acres of Hope transitional housing facility located at 13675 Bowman Road in the Bowman area. Said funding shall be paid through escrow, with a payment of \$100,000 within fifteen (15) days following Board approval of this revised mitigation measure (\$50,000 has already been advanced). Annual payments of \$85,000 will be paid beginning in October 2013 for the next five (5) years for total funding of \$575,000. The funding obligation shall be secured by a deed restriction recorded against the Riolo Vineyards Specific Plan high density (HD) Parcel, restricting the use of that parcel as an affordable housing site until the full financial commitment has been satisfied. In the event the Acres of Hope operations and entity cease to exist during this payment period, escrow instructions will provide that any remaining amounts payable be released to Placer County for use at other affordable housing locations or programs as determined by the County.

Before the Board of Supervisors County of Placer, State of California

In the matter of:
Modification of the 2009 Riolo Vineyard
Specific Plan Mitigation Monitoring and Reporting
Program and Corresponding Text Revisions
to the Certified Environmental Impact Report

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Board of Supervisors

Clerk of the Board Signature

Chair Signature

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:

WHEREAS, the Board of Supervisors approved the Riolo Vineyard Specific Plan ("RVSP") on May 12, 2009, after certifying the Environmental Impact Report ("EIR") for the project and adopting a Mitigation Monitoring and Reporting Program ("MMRP").

WHEREAS, the RVSP project is an approved residential community with open-space, recreational and commercial components.

WHEREAS, the RVSP proponents seek modifications to Mitigation Measure 5-3a, which addresses the project's affordable housing obligations.

WHEREAS, the RVSP proponents seek to now satisfy the affordable housing obligations with an off-site alternative that would fund a long term transitional housing facility in Placer County.

WHEREAS, the Board finds the off-site alternative to be superior to the prior on-site mitigation requirement for the following reasons:

1. The off-site alternative is in proximity to existing transportation services, public facilities and retail services, and
2. The off-site alternative will allow affordable housing to be provided to poverty level residents in Placer County and will provide funding to an existing, established affordable housing provider, and
3. The off-site alternative will allow Placer County to establish affordable housing in the near term whereas the existing RVSP affordable housing obligation will not be realized for approximately 10 – 15 years.

WHEREAS, Placer County Code, Chapter 18, Article 18.28, Section 18.28.090.B. authorizes modifications of an approved MMRP through review and approval by the "approving authority". The approving authority in this case is the Board of Supervisors who originally approved the RVSP in 2009.

WHEREAS, an Addendum to the certified Riolo Vineyard Specific Plan Environmental Impact Report (SCH #2005092041) has been prepared pursuant to CEQA Guidelines Section 15164.d. and Placer County Environmental Review Ordinance Section 18.16.090.

NOW, THEREFORE, BE IT RESOLVED, the Placer County Board of Supervisors adopts the Addendum to the certified Riolo Vineyard Specific Plan Environmental Impact Report (SCH #2005092041).

BE IT FURTHER RESOLVED, the Placer County Board of Supervisors approves the modification of the 2009 RVSP MMRP and corresponding text of the RVSP Draft EIR as follows:

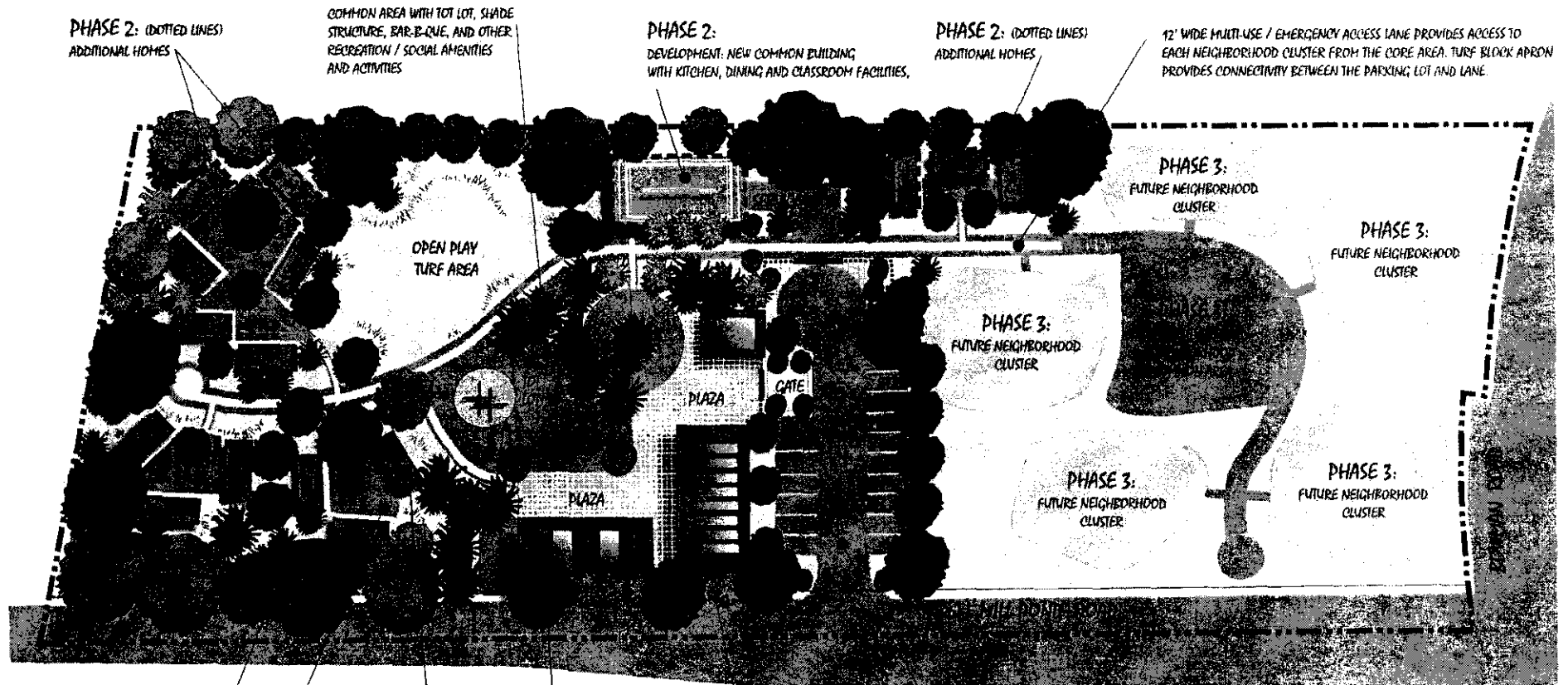
1. The last paragraph of page 5-14 of the Draft EIR is hereby replaced with the text as set forth in Exhibit A to the Addendum.
2. Table 5-14 on Page 5-15 of the Draft EIR is hereby deleted.
3. The 2009 RVSP MMRP is amended to delete and replace Mitigation Measure 5-3a as set forth in Exhibit B to the Addendum.

Acres of Hope

PHASE 1 COMPONENTS:

- 10 HOMES
- RENOVATED CHILDCARE / COUNSELING FACILITY
- RENOVATED CLASSROOMS, OFFICES AND KITCHEN FACILITIES
- COMMON OPEN SPACE (HARD AND SOFTSCAPE)
- TOT LOT / PICNIC / BAR-B-QUE FACILITIES
- OPEN TURF PLAY AREA

CONCEPT SITE PLAN



PHASE 2: (DOTTED LINES)
ADDITIONAL HOMES

COMMON AREA WITH TOT LOT, SHADE
STRUCTURE, BAR-B-QUE, AND OTHER
RECREATION / SOCIAL AMENITIES
AND ACTIVITIES

PHASE 2:
DEVELOPMENT: NEW COMMON BUILDING
WITH KITCHEN, DINING AND CLASSROOM FACILITIES,

PHASE 2: (DOTTED LINES)
ADDITIONAL HOMES

12' WIDE MULTI-USE / EMERGENCY ACCESS LANE PROVIDES ACCESS TO
EACH NEIGHBORHOOD CLUSTER FROM THE CORE AREA. TURF BLOCK APRON
PROVIDES CONNECTIVITY BETWEEN THE PARKING LOT AND LANE.

PHASE 3:
FUTURE NEIGHBORHOOD
CLUSTER

PHASE 3:
FUTURE NEIGHBORHOOD
CLUSTER

PHASE 3:
FUTURE NEIGHBORHOOD
CLUSTER

PHASE 3:
FUTURE NEIGHBORHOOD
CLUSTER

PHASE 3:
FUTURE NEIGHBORHOOD
CLUSTER

PERIMETER VEGETATIVE SCREEN
AND SECURITY FENCE

ADA COMPLIANT
UNIT

UPSTAIRS COUNSELING
DOWNSTAIRS CHILDCARE

BUILDING RENOVATIONS
- KITCHEN UPGRADE
- CLASS ROOM
- OFFICES
- STAFF OVERNIGHT

ADMINISTRATIVE AND
VISITORS PARKING LOT

TYPICAL NEIGHBORHOOD CLUSTER WITH
COMMON OPEN SPACE BETWEEN
BUILDINGS TO CREATE A SENSE OF
PLACE AND COMMUNITY



