

Exhibit C

Statement of Overriding Considerations

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STATEMENT OF OVERRIDING CONSIDERATIONS

(STATE CLEARINGHOUSE NO. 2023100145)

Pursuant to CEQA and the CEQA Guidelines, the decision-making agency must balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. (See Pub. Resources Code § 21081(b) and CEQA Guidelines § 15043 and 15093.) Additionally, the CEQA Guidelines provides that, when the lead agency approves a project that will result in significant environmental impacts that are identified in a final EIR, but are not avoided or substantially lessened, the agency must state in writing the specific reasons to support its action based on the final EIR or other information in the record. (CEQA Guidelines, § 15093(b).) If the specific economic, legal, social, technological or other benefits of the proposed project outweigh its unavoidable adverse environmental effects, the adverse effects may be considered “acceptable.” (*Id.*, § 15093(a).)

In accordance with CEQA and the CEQA Guidelines, the **Planning Commission** finds that, based on the Final Supplemental Environmental Impact Report (Final SEIR) and the record, the Aquabella Project consists of the following discretionary actions: (1) Aquabella Specific Plan Amendment (PEN 23-0109); (2) General Planning Amendment (PEN 23-0127); (3) Change in Zone (PEN 24-0041); (4) Tentative Tract Map 38850 (PEN 23-0118); and Development Agreement (PEN 23-0119) (Project)¹ and that the Project has avoided or reduced significant impacts on the physical environment for all environmental impact categories analyzed in the Final SEIR through findings of no impact, no significant impact, or no significant impact through the imposition of mitigation measures, incorporated as conditions of approval of the Project, except for two significant and unavoidable air quality impacts. The two significant and unavoidable air quality impacts result from: (1) the Project’s potential to conflict with implementation of the applicable South Coast Air Quality Management District’s (SCAQMD) 2022 Air Quality Management Plan; and (2) the Project’s potential to result in a cumulatively considerable net increase in non-attainment criteria air pollutant operational thresholds established by SCAQMD.²

A. FINDINGS:

The **Planning Commission** finds that all feasible mitigation measures identified in the Final SEIR will be implemented with the Project approval and that the remaining significant unavoidable air quality impacts are outweighed and are found to be acceptable due to the following specific

¹ The Development Agreement application was withdrawn and subsequently reinstated in October 2024 prior to completion of the Final SEIR because the parties (City and Aquabella Project applicant) had not reached a tentative agreement as to the terms of the Development Agreement until late September/October 2024.

² The Final SEIR found that the Project’s construction-related impacts arising from potential cumulatively considerable net increases in non-attainment criteria pollutants would be less than significant with mitigation (MM-AQ-2 through MM-AQ-7).

overriding economic, legal, social, technological, or other benefits, based on the facts set forth in the Final SEIR and the Project’s record of proceedings.

The **Planning Commission** finds that the following Project benefits, each of which is determined to be, by itself and independent of the other Project benefits, is a basis for overriding, outweighing, and accepting the Project’s significant and unavoidable air quality impacts identified in the Final SEIR. Moreover, substantial evidence supports each of the Project benefits, which evidence is found in the Final SEIR, documents used or referred to in both the Draft SEIR and the Final SEIR, documents incorporated by reference, and documents comprising the Project’s record of proceedings.

A. OVERRIDING BENEFITS RESULTING FROM THE PROJECT:

1. Maximizes Infill Development of Unused Vacant Land. The Project site has never been developed, notwithstanding that it has been planned for various levels of development since 1999 and is located in an infill area. Approximately 70 percent of the site has been disturbed or graded, and the site is served by utilities, backbone infrastructure, roads, recycled water, and transit. The Project would maximize the development potential on this urban infill site by providing 15,000 housing units, a range of housing options, various commercial/retail uses, open space, schools, a lake, and recreational uses. By densifying this urban area, the Project maximizes use of an infill site and discourages sprawl into undeveloped areas.

2. Benefits from Development of the Geographic “Center” of the City of Moreno Valley. The Project site has been reimagined to bring significant public benefits, housing, and economic growth to the City center where planned expansions are anticipated for the Riverside University Health System Medical Center, the Kaiser Permanente Hospital and medical complex, Moreno Valley College, and the World Logistics Center including:

- (a) taking advantage of Aquabella’s unique infill location in the geographic “center” of the City and hub for the region;
- (b) creating a visible, social gathering place for residents, families, seniors, friends, and visitors;
- (c) providing a community with a broad mix of family and workforce housing options and a vibrant retail/commercial town center and hotel — all linked to the lakes, the lake promenade, parks, schools, trails, open space, and adjacent and proximate major job centers;
- (d) creating new housing opportunities for families, professionals, seniors, veterans, and students and faculty and implementing memorable experiences that cannot be found anywhere else in the City, Riverside County, or the Inland Empire region.

3. Develops Proximate to Transit and Encourages Multimodal Transportation. The Project site’s surrounding area is urbanized with a variety of residential densities, education, medical, and other land uses, including residential and other housing options, all of which is currently served by three existing nearby Riverside Transit Agency (RTA) bus routes (Routes 20, 31,

and 41). Commuter train service in the City is provided by Metrolink, and the Moreno Valley/March Field Metrolink Station is approximately five miles west of the Project site. As such, bus stops are located within a half-mile of the site, and transit service is within five miles of the site. The Project establishes multi-modal trails for pedestrian and bicycle use, incorporates pedestrian bridges, provides sidewalks and a lake promenade, provides bike lanes, incorporates traffic calming features, will be developed with walkable blocks, and incorporates bikeshare, electric bikeshare, and Scootershare programs. It also incorporates a mobility hub, shuttle service to employment centers, and would support improved access to transit to and through the Project site for residents, employees, visitors, and the surrounding neighborhoods. Greater density also allows for more efficient, frequent, and reliable transit service. Project development near transit, with a focus on improving multimodal options such as walking, cycling, scootering, and transit, will provide a more diverse and sustainable transportation network.

4. Provides a Vibrant Gathering Place for the City. The Aquabella Project, located within the City's Downtown Center, encompasses 15,000 family and workforce housing options for all ages and income levels; a 25-acre mixed-use commercial and retail town center and a 300-room hotel; 80 acres of parks, comprised of the previously approved 40-acres of lakes, a 15-acre lake promenade, and an additional 25 acres of parkland; 40 acres of schools with up to three elementary school sites and one middle school site; open space, public services and facilities; infrastructure improvements; the addition of a 10-acre area situated along the eastern site boundary; and other amenities. Further, access to the Project site will be facilitated by the provision of public transit by the RTA.

5. Satisfies City's Vehicle Miles Traveled Standard and Promotes Southern California Association of Government's (SCAG) Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) The Project satisfies the City's vehicle miles travelled (VMT) standards, which demonstrates consistency with SCAG's RTP/SCS strategies. The Project's effect on VMT was determined to be less than significant under all build-out year settings in the Final SEIR. Also notable, the Project would improve adjacent streets and install sidewalks along with an extensive walkable internal Project site. While the bike network along City circulation element roadways in the study area already exists, the Project would construct a Class III bike route along Brodiaea Avenue, and internal streets with the Project would facilitate bike routes and connectivity to the City's existing bike network. The Project would also improve and enhance active transportation and transit access and facilities while diversifying housing in the area, consistent with General Plan Circulation Element policies and "Connect SoCal" goals.

6. Implements Important Sustainability Goals of the City. The Project's development of increased residential uses within a mixed-use context and nearby jobs help to increase the supply of homes in the City and promote affordability. The mixed-use development proximate to existing job centers also helps the City balance its jobs-to-housing mix, reduce commutes, lower greenhouse gas emissions (GHG), and reduce VMT. The Project incorporates energy efficient appliances, water conservation features, use of recycled water for irrigation, waste reduction features, building electrification, and installation of solar PV that would generate approximately 48 million kWh of renewable energy per year. The Project would provide a total 15,632 EV opportunities, including installing 3,746 Level 2 EV charging stations, installing 2,377 Level 1 EV charging outlets, and

rewiring of 9,509 parking spaces, which would promote EV usage in the City, in alignment with City and state sustainability goals.

7. Provides Substantial One-Time Economic Benefits to the City. The economic and fiscal studies performed by DTA³ (formerly, David Taussig and Associates) show that Project construction will generate about \$6.9 billion in construction activities in the City.

8. Creates Significant Construction Jobs. The Project would create approximately 55,700 construction jobs through its construction period, with payrolls of approximately \$3.6 billion.

9. Provides Substantial Recurring Economic Benefits to the City The economic impact analysis performed by DTA forecasts that the Project's onsite business operations will generate approximately \$528.61 million (more than one-half a billion) annually in recurring economic benefits related to employment, economic output, and other earnings.

10. Creates Permanent Jobs Proximate to Housing. The economic and fiscal studies performed by DTA estimate the Project will create 1,443 permanent jobs with payrolls of \$59.5 million annually. These jobs proximate to housing would also reduce commute times, improve social and cultural involvement for these residents, and provide them with an attractive work/life balance.

11. Significant Fiscal and Infrastructure Benefits to the City. The economic and fiscal studies performed by DTA estimate that the Project will pay substantial amounts of Development Impact Fees to the City exceeding \$150.4 million. This payment of DIFs will result in the construction of up to 54 off-site roadway improvements with a fair share value of about \$20 million; public art improvements, and workforce development, and improving vital services such as police and fire protection, parks, roads and other infrastructure in the City.

12. Recurring Fiscal Benefits to the City. Considering only recurring revenues and costs – including property taxes, utility users taxes, licenses, and fees – the fiscal study performed by DTA shows that the Project will generate a significant fiscal surplus to the City. Based on projected General Fund revenues of \$32.6 million annually and expenditures of approximately \$29 million, the recurring fiscal surplus is estimated at \$3.5 million annually. Money added to the general fund will positively impact the City as a whole.

13. Housing For the City's Expanding Workforce. The Project would provide needed workforce housing adjacent and proximate major job centers (e.g., Riverside University Health System Medical Center, the Kaiser Permanente Hospital and medical complex, Moreno Valley College, and the World Logistics Center) and educational facilities (University of California, Riverside and Moreno Valley College). This housing proximate to jobs would reduce commute times, improve social and cultural involvement for these residents, provide attractive work/life balance, promote use of multimodal transportation options, and reduce GHG emissions associated with driving. As explained by DTA, the shorter commutes could also generate savings for the City in terms of the need

³ DTA is a California-based public finance consulting firm with a national practice focusing on the establishment and implementation of infrastructure and public services financing programs. The firm provides public finance consulting services to public and private sector clients, including completion of fiscal and economic studies.

to construct and maintain new road improvements and other facilities. For example, any decrease in transportation facility costs experienced by the City will enable it to invest its tax proceeds in libraries, recreational projects, and other community amenities that can improve quality of life for City residents.

14. Urban Forestry. The Project would plant and maintain 30,000 trees for 30 years to reduce urban heat island effect and aid in carbon capture.

15. Senior Center. The Project will construct and dedicate a 24,000 square foot Senior Center to the City, providing a valuable recreational resource and gathering place for the City's senior community.

16. Public Park Land. The Project will provide extensive public park land and fees as set forth in the Aquabella Development Agreement.