



Report to City Council

TO: Mayor and City Council

FROM: Sean Kelleher, Assistant City Manager - Development
Angelica Frausto-Lupo, Community Development Director

AGENDA DATE: November 19, 2024

TITLE: **AQUABELLA – GENERAL PLAN AMENDMENT (PEN23-0127), CHANGE OF ZONE (PEN24-0041), SPECIFIC PLAN AMENDMENT (PEN23-0109), TENTATIVE TRACT MAP NO. 38850 (PEN23-0118), DEVELOPMENT AGREEMENT (PEN23-0119), AND RELATED CEQA ANALYSIS (REPORT OF: COMMUNITY DEVELOPMENT**

TITLE SUMMARY: Master planned community to accommodate development of 15,000 multi-family and workforce housing units, 49,900 square-feet of mixed-use commercial and retail town center, including a 300-room hotel, 80 acres of parks, and 40 acres to accommodate schools.

Recommendation(s)

That the City Council adopt the Planning Commission's recommendations as follows:

1. ADOPT Resolution No. 2024- [next in order]: a) ADOPTING the CEQA Findings of Fact; b) ADOPTING the Mitigation Monitoring and Reporting Program prepared for the Proposed Project; c) ADOPTING the Statement of Overriding Considerations; and d) CERTIFYING the Final Subsequent Environmental Impact Report (FSEIR) prepared for the Proposed Project, pursuant to CEQA and the CEQA Guidelines;
2. ADOPT Resolution No. 2024- [next in order]: a) APPROVING General Plan Amendment (PEN23-0127); and b) APPROVING Tentative Tract Map No. 38850 (PEN23-0118);

3. INTRODUCE Ordinance No. [next in order] and conduct the first reading by title only:
 - a) APPROVING Specific Plan Amendment (PEN23-0109);
 - b) APPROVING Change of Zone (PEN24-0041);
 - and c) APPROVING an amendment to the City's Zoning Atlas based on the applicable recitals, evidence contained in the administrative record, and findings;
4. INTRODUCE Ordinance No. [next in order] and conduct the first reading by title only approving Development Agreement (PEN23-0119); and
5. SCHEDULE the second reading of Ordinance No. [next in order] for adoption of the Development Agreement (PEN23-0119) and Ordinance No. [next in order] approving:
 - a) Specific Plan Amendment (PEN23-0109);
 - b) Change of Zone (PEN24-0041);
 - and c) City's Zoning Atlas Change of Zone (PEN24-0041) for the next regular City Council meeting.

SUMMARY

T/Cal Realty II, LLC, ("Applicant") is requesting approval of a General Plan Amendment (PEN23-0127), Change of Zone (PEN24-0041), Specific Plan Amendment (PEN23-0109), Tentative Tract Map (PEN23-0118), and Development Agreement (PEN23-0119), to modify and expand the area of the Aquabella Specific Plan (SP-218) ("Proposed Project"). The Proposed Project's entitlements are being processed pursuant to the requirements of Senate Bill No. 330 which allowed the Applicant to submit a "preliminary application" to establish certain "vesting" of applicable objective planning, zoning, and subdivision criteria regarding a "housing development project." Section 65589.5(h)(2) of the Government Code, as set forth in the Housing Accountability Act, defines a "housing development project" as either all residential use, transitional housing or supportive housing or a mixed-use project consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use

The Proposed Project will create a master planned community with 15,000 multifamily/workforce housing units, a 49,900 square-foot mixed-use commercial and retail center with a 300-room hotel. It will also provide approximately 80 acres of open space with a central lake and adjacent lake promenade, plus several acres of neighborhood parks throughout the community. The Proposed Project includes approximately 40 acres of land that may accommodate up to three new elementary schools and one middle school, in addition to maintaining the existing high school site within the current Aquabella Specific Plan. The Proposed Project will also provide associated public services and facilities, on and offsite infrastructure improvements, and other various facilities and amenities.

DISCUSSION

Planning Commission Recommendation

At its October 24, 2024 meeting, the Planning Commission held a duly noticed public hearing and voted 7-0 to adopt Planning Commission Resolutions No. 2024-32 and 2024-33, recommending that the City Council adopt the CEQA Findings of Fact, adopt a Mitigation Monitoring and Reporting Program, adopt the Statement of Overriding Considerations, Certify the Final Subsequent Environmental Impact Report (FSEIR), and

approve the Proposed Project that again includes a General Plan Amendment, Change of Zone, Specific Plan Amendment, Tentative Tract Map 38850, and Development Agreement. Planning Commission Resolutions No. 2024-32 and 2024-33 are attached hereto for reference.

Project Description

The Proposed Project will amend and supersede the existing Aquabella Specific Plan (“SP-218”), which encompasses an area that is centrally located in the City. The Proposed Project is intended to establish a destination for residents and workers to live, work, play, and shop within the City. The Proposed Project will make additional housing opportunities available for residents, workers, and their families to take advantage of the Proposed Project’s central location that will provide relatively close proximity to major job centers, transportation network, parks, schools, and various other amenities – “multi-family” and “work force housing.”

The Proposed Project will amend the Aquabella Specific Plan to guide development mainly in the undeveloped areas of the Aquabella Specific Plan. Highlights of the Proposed Project include, but are not limited to, the following:

- Up to 15,000 multi-family and workforce housing units, which will provide multiple residential options which will be developed in phases;
- 25 acres for mixed-use commercial and retail that includes up to 49,900 square feet of retail space and a 300-room hotel;
- 80 acres for parks and open space areas, including 40 acres with a lake, 15 acres for a lake promenade, and an additional 25 acres for neighborhood parks;
- 40 acres for schools, with up to four school-sites (3 elementary schools and 1 middle school) in addition to the existing high school site and associated open space, public services and facilities, infrastructure improvements, and other various amenities;
- The addition of one 10-acre parcel to the Aquabella Specific Plan area situated along the eastern boundary of the Project Site, identified as APN: 486-310-014; and
- Updating the development standards and design guidelines for development within the Aquabella Specific Plan consistent with the Proposed Project.

The Proposed Project will refresh the land use plan, goals, objectives, development standards, and design guidelines from that described and depicted in the current Aquabella Specific Plan.

This Proposed Project is intended to deliver a mixed-use, urban village with a “town feel” near the “geographic center” of the City. The Proposed Project’s overall goal is to create a unique, neighborhood town environment where residents and visitors can live, work, play, and shop. The character of the surrounding area will be retained, and the subject area will be connected to adjacent uses, for the purpose of creating a hub of diverse multi-family residential home options within the center of the City. This is intended to address the needs of the City’s existing and future residents, accommodate and enhance jobs onsite, adjacent, and in proximity to major job centers that will reduce long job commutes,

achieve a better jobs-to-housing balance, and facilitate job growth in a central portion of the City.

Required Entitlements

The Proposed Project requires the following entitlements:

- General Plan Amendment (PEN23-0127) that in summary amends the applicable General Plan and General Plan Land Use Map to allow higher density housing.
- Change of Zone (PEN24-0041) that in summary rezones the additional 10-acre parcel on the eastern boundary of the Project Site (Assessor's Parcel No. 486-310-014) from Residential 5 (R5) District to DC-SP (SP 218).
- Specific Plan Amendment (PEN23-0109) that in summary establishes certain zoning, design and development standards and guidelines and incorporates the 10-acre parcel into the Project Site.
- Tentative Tract Map No. 38850 (PEN23-0118) that in summary subdivides the Aquabella Specific Plan Area into 26 new parcels for finance and conveyance purposes.¹
- Development Agreement (PEN23-0119) that in summary incorporates a negotiated "Public Benefit" for the City that includes the development of a turn-key Senior Center by the Applicant on land that will be dedicated to the City by the Applicant at no cost to the City, and requires the Applicant to pay certain development impact fees in effect at the time they are due regardless of the SB 330 preliminary application submitted by the Applicant.

Site and Surrounding Area

The Project Site is zoned Downtown Center – Specific Plan 218 (DC - SP 218 LM). The 10-acre parcel along the eastern boundary is zoned as Residential 5 (R5) District.

The Project Site's surrounding area is developed with a variety of residential densities, and education, medical, and other uses. The Riverside University Health System Medical Center, a public teaching hospital, is located along a portion of the Project Site's northern boundary. Moreno Valley College is situated directly south of the Project Site.

ENVIRONMENTAL

The Proposed Project has been evaluated against criteria set forth in the California Environmental Quality Act (CEQA) and CEQA Guidelines. A Draft Subsequent Environmental Impact Report (DSEIR) was prepared for the Proposed Project. The analysis presented in the DSEIR indicates that implementation of the Proposed Project would result in significant and unavoidable adverse impacts to Air Quality which are described in detail within the DSEIR. All other environmental effects evaluated in the DSEIR are considered to be less-than-significant or can be reduced to less-than-significant levels with the incorporation of the mitigation measures specified in the DSEIR.

¹ Since many of the conditions of approval for the Tentative Tract Map are not applicable to maps for finance and conveyance purposes, staff will be coordinating with the Applicant to confirm which conditions of approval are applicable and which apply only upon the time of recordation or under other circumstances.

A Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations have been prepared and provided, which are based on the attached CEQA Findings of Fact. The DSEIR (SCH 2023100145) was circulated to the public (including interested parties/responsible agencies) for review from May 31, 2024, through July 15, 2024.

Fourteen public written comment letters were received during the 45-day public review period. Written comments expressed concern regarding potential impacts to air quality, biological resources, greenhouse gases, hazards, land use, noise, traffic and public utilities, while others simply acknowledged the Proposed Project without providing specific comments addressing any potential environmental impacts of the Proposed Project.

The California Environmental Quality Act (CEQA) does not require written responses to letters submitted after the noticed public comment period (Pub. Resources Code, §§21091(d) and 21092.5(c); CEQA Guidelines, §15088). Nonetheless, attached hereto are responses to the letters received after the DSEIR public comment period and on or before the Planning Commission noticed public hearing on the Project.

CEQA Findings of Fact

The Findings of Fact, attached hereto for reference, finds that all potentially significant environmental impacts from the construction and operation of the development allowed by the Proposed Project have been identified in the Final SEIR and that the implementation of the mitigation measures defined and set forth in the Mitigation Monitoring and Reporting Program (“MMRP”), attached hereto for reference, will be mitigated to less-than-significant levels, except for those impacts identified in the Final SEIR as significant and unavoidable.

Mitigation Monitoring and Reporting Program

Mitigation Measures are recommended for the Proposed Project in the following areas: Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, and Tribal Cultural Resources. All the aforementioned impacts of the Proposed Project can be mitigated to less-than-significant levels except for Air Quality.

A Mitigation Monitoring and Reporting Program (MMRP) has been prepared in accordance with section 21081.6 of the Public Resources Code and section 15097 of the California Environmental Quality Act (CEQA) Guidelines, which requires all state and local agencies to establish monitoring or reporting programs whenever approval of a project relies on an Environmental Impact Report (EIR). The MMRP is attached hereto for reference.

Statement of Overriding Considerations

A Statement of Overriding Considerations has also been prepared for the Proposed Project, which is attached hereto for reference. The purpose of a Statement of Overriding

Considerations, as defined in CEQA Guidelines Section 15093, is to 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.

The Statement of Overriding Considerations prepared for the Proposed Project set forth the various benefits of the Proposed Project, each of which is determined to be, by itself and independent of the other benefits of the Proposed Project, as a basis for overriding, outweighing, and accepting the Proposed Project's significant and unavoidable air quality impacts identified in the Final SEIR. The overriding benefits resulting from the Proposed Project include the following, the details of which are more particularly described in the Statement of Overriding Considerations:

- Maximizes Infill Development of Unused Vacant Land.
- Benefits from Development of the "Geographic Center" of the City of Moreno Valley.
- Developed in close proximity to transit facilities and encourages Multimodal Transportation.
- Provides a Vibrant Gathering Place for the City.
- 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)
- Implements Important Sustainability Goals of the City.
- Provides Substantial One-Time Economic Benefits to the City.
- Creates Significant Construction Jobs.
- Provides Substantial Recurring Economic Benefits to the City.
- Creates Permanent Jobs Proximate to Housing.
- Significant Fiscal and Infrastructure Benefits to the City.
- Recurring Fiscal Benefits to the City.
- Housing For the City's Expanding Workforce.
- Promotes Urban Forestry.
- Provides a turn-key Senior Center and land as "Public Benefit."
- Provides additional Public Park Land.

ALTERNATIVES

1. Approve the Proposed Project as recommended by the Planning Commission. (Staff recommends this alternative).
2. Do not approve the Proposed Project as recommended by the Planning Commission. (Staff does not recommend this alternative).
3. Approve the Proposed Project as recommended by the Planning Commission with modifications. (Staff does not recommend this alternative).

FISCAL IMPACT

The Proposed Project will be required to pay impact fees to various regional agencies as

well as the City, including certain development impact fees in effect at the time they are due regardless of the SB 330 preliminary application vesting. Furthermore, the Applicant anticipates investing approximately \$6,000,000,000 to develop the Proposed Project. In addition, the Proposed Project will expand park and recreation facilities on 80-acres of land and pay Quimby fees for an additional 49-acres of parkland. The Proposed Project will also provide a Public Community Benefit, under Development Agreement (PEN23-0119), that includes a turn-key 24,000 square-foot Senior Center (designed, constructed and together with the land underlying the Senior Center, delivered to the City). Lastly, the Proposed Project will provide on-site public art.

NOTIFICATION

Consistent with the applicable Municipal Code provisions and exceeding the distance requirements of applicable state law, public notice was sent to all property owners of record within 600 feet of the Project Site, posted on the Project Site, and published in the Press Enterprise Newspaper at least 10 days prior to the public hearing. As of the preparation of this Staff Report, no public comment has been received regarding the Proposed Project, outside the context of the DSEIR.

PREPARATION OF STAFF REPORT

Prepared By:
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Contract Planner

Department Head Approval:
Angelica Frausto-Lupo
Community Development Director

Concurred By:
Robert Flores
Planning Official

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

ATTACHMENTS

1. Resolution No. 2024-[next in order]: Certifying FSEIR, Findings of Fact, Statement of Overriding Considerations, and MMRP
 - Exhibit A – Findings of Fact
 - Exhibit B – Mitigation Monitoring and Reporting Program
 - Exhibit C - Statement of Overriding Considerations
 - Exhibit D - Final Subsequent Environmental Impact Report with Errata and Response to Comments
 - Appendix 1 Draft Subsequent Environmental Impact Report
 - DEIR Appendix A – Specific Plan Amendment
 - DEIR Appendix B – Notice of Preparation
 - DEIR Appendix C – Geotech & Paleo Evaluation
 - DEIR Appendix D – Air Quality
 - DEIR Appendix E – Biological Report
 - DEIR Appendix F – Cultural Report
 - DEIR Appendix G – Phase I and Phase II
 - DEIR Appendix H – Stormwater Management
 - DEIR Appendix I – Noise Report (Revised)
 - DEIR Appendix J – Public Service Coordination
 - DEIR Appendix K – Traffic Report
 - DEIR Appendix L - Water Supply Assessment
 - DEIR Appendix M – Tribal Resources
 - DEIR Appendix N – Wildfire and Evacuation Plan
2. Resolution No. 2024-[next in order]: Adopting General Plan Amendment (PEN23-0127) and Tentative Tract Map No. 38850 (PEN23-0118)
 - Exhibit A – Land Use Map
 - Exhibit B – Tentative Tract Map No. 38850
 - Exhibit C – Tentative Tract Map No. 38850 Conditions of Approval
3. Ordinance No. [next in order]: Approving Specific Plan Amendment (PEN23-0109) and Change of Zone (PEN24-0041)
 - Exhibit A – Final Specific Plan Amendment
 - Exhibit B – Zoning Map
4. Ordinance No. [next in order]: Approving Development Agreement (PEN23-0119)
 - Exhibit A – Development Agreement
5. Planning Commission Resolution No. 2024-32
6. Planning Commission Resolution No. 2024-33

Report Approval Details

Document Title:	STAFFREPORT_PEN23_0109_AQUABELLA.docx
Attachments:	<ul style="list-style-type: none"> - RESOLUTION_CC_CEQA_AQUABELLA.pdf - APPENDIX_1_DRAFT_SUBSEQUENT_ENVIRONMENTAL_IMPACT_REPORT.pdf - DEIR_APPENDIX A – SPECIFIC PLAN AMENDMENT.pdf - DEIR_APPENDIX B – NOTICE OF PREPARATION.pdf - DEIR_APPENDIX C – GEOTECH _ PALEO EVALUATION.pdf - DEIR_APPENDIX D – AIR QUALITY.pdf - DEIR_APPENDIX E – BIOLOGICAL REPORT.pdf - DEIR_APPENDIX F – CULTURAL REPORT.pdf - DEIR_APPENDIX G – PHASE I AND PHASE II.pdf - DEIR_APPENDIX H – STORMWATER MANAGEMENT.pdf - DEIR_APPENDIX I – NOISE REPORT (REVISED).pdf - DEIR_APPENDIX J – PUBLIC SERVICE COORDINATION.pdf - DEIR_APPENDIX K – TRAFFIC REPORT.pdf - DEIR_APPENDIX L - WATER SUPPLY ASSESSMENT.pdf - DEIR_APPENDIX M – TRIBAL RESOURCES.pdf - DEIR_APPENDIX N – WILDFIRE AND EVACUATION PLAN.pdf - RESOLUTION_CC_GPA_TTM_AQUABELLA.pdf - ORDINANCE_CC_SPA_CZ_AQUABELLA.pdf - ORDINANCE_CC_DEVELOPMENT_AGREEMENT_AQUABELLA.pdf - PLANNING_COMMISSION_RESOLUTION_NO_2024_32.pdf - PLANNING_COMMISSION_RESOLUTION_NO_2024_33.pdf - RESPONSE_TO_COMMENT_LETTERS_RECEIVED_AFTER_COMMENT_PERIOD.pdf
Final Approval Date:	Nov 13, 2024

This report and all of its attachments were approved and signed as outlined below:

No Signature found

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