

RTG Development

Discussion points

Agua Dulce Town Council meeting

Wednesday February 9th, 2022

Agenda

- The role of Agua Dulce Town Council
- The history of the project
- Supervisor Barger's letter following November ADTC meeting
- Regional Planning's response to Supervisor Barger's letter
- Pertinent external factors that have arisen since the approval in 2007
- Unresolved critical issues related to the development

The Charter of Agua Dulce Town Council

- To serve as a common meeting place for the free expression of all views and for the coming together of diverse opinions into a consensus.
- To discuss issues concerning Agua Dulce, to invite participation by the public, civic, and private organizations.
- To serve as Agua Dulce's representative and to speak on behalf of the community.
- To review public and private proposals that may affect the community.
- To neither support nor oppose any political party or candidate.

The history of the project – Pratty

- 1980's – Pratty
 - Proposal to build 800-1,200 homes on 900 acres
 - Received significant opposition from the local community
 - Pratty then proposed to develop a prison on the property
 - The likely origin of the Agua Dulce Community Standards District (CSD)
 - Pratty then proposed to cluster the homes with open spaces in between but this did not meet the 2 acre lot size requirements of the CSD

The history of the project – Coussoulis

- Acquired the project in the 1990s from Pratty
 - Engaged the community
 - Agreed to bring in municipal water to save the local groundwater supplies
 - Added the wastewater treatment plant to recharge the groundwater supplies with recycled water via irrigation
 - Added multi use trails outside the easements of each property
 - Dedicated trails reduced the number of homes by 24
- Tract map 50385-01 was recorded in 2002 (Book 1267, Page 15)
 - Describes the subdivision for the first 68 of 247 property lots
- Coussoulis sold the project to RTG Investments in 2019

Supervisor Barger's letter to Regional Planning

- Originated from the concerns raised at the RTG community presentation to ADTC in November '21
- Requested a written response from the Dept. of Regional Planning (Amy Bodek) and Dept. of Public Works (Mark Pestrella) on:
 - Existing entitlements for the project
 - Potential environmental impacts and the original environmental documents
 - Compliance with land use and zoning regulations
 - Project infrastructure including a wastewater treatment plant and water main lines

Regional Planning response to the letter

- Did noting more than re-state what was approved in 2007
 - Entitlement is for 247 homes on 742 net acres per the '84 Area Plan
 - Potential environmental impacts other than air quality were less than significant and the benefits of the project outweighed the air quality issue
 - Five lots did not meet the minimum 2 acre requirement of the CSD and therefore a revision to the map was required
 - A feasibility study for disposal of sludge and brine from the wastewater treatment plant is required. The applicant is required to work with Dept. of Public Works to explore all feasible options and design technologies for energy efficiency.
- At this time, there has been no response from Dept. of Public Works

External factors that need to be considered

- In the 12 years since the project was approved, the developer did little to build out the project before selling it in 2019 to RTG
 - Only 68 of the proposed 247 homes have recorded lots
- The State is experiencing increasing drought due to climate change, leading to water restrictions in 2014 and now 2021/22 and more destructive local wildfires (Station Fire, Bobcat Fire)
 - 29 Water Agencies across California have been advised in December 2021 that they will receive no water allocations from the State Water Project
- The area has experienced a high number of PSPS power shutoff events since 2019, and these continue despite the SCE upgrades

External factors that need to be considered

- The project site is in an area now designated as a Very High Fire Hazard Severity Zone in the State Responsibility Area
- In June 2021, Ricardo Lara, the CA State Insurance Commissioner proposed a series of sweeping amendments to CA's insurance rules including cutting off new construction in high fire areas from access to the State's Fair Plan (the plan of last resort for fire insurance)
- In early 2022, insurers like AIG and Chubb began canceling fire insurance policies on multi million dollar properties across CA
- In 2018, changes in the California Environmental Quality Act (CEQA) were made that require developers to take wildfire risk into account

External factors that need to be considered

- The State Attorney General (Becerra and Bonta) has begun to intervene to prevent new construction in Very High Fire Hazard Severity Zones
 - Guenoc Valley Project, near Calistoga, CA in lake county
 - Otay Ranch Resort Village 13, San Diego, CA
- State Attorney General cited “critical flaws” in San Diego county’s analysis of the project’s increased risk of wildfire and impacts to fire evacuation and safety in the region
- The Centennial Development Fort Tejon project in Northern LA County was blocked in April 2021 when the judge cited wildfire concerns

External factors that need to be considered

- Los Angeles County and the State of California have an objective to build more affordable housing which is now at odds with expanding new construction in high fire risk areas
 - Five Point Valencia along Highway 126 has projected house prices starting at \$400,000
- Large homes on 2 acres at this project aren't considered 'affordable'
- Los Angeles County Board of Supervisors passed a motion in February 2022 requiring new construction to be zero net energy (ZNE) where the energy used is less than that generated on site

Issues that need to be addressed

- What is the status of the planned water treatment plant?
 - It was referenced as 'conceptual' in the 2007 SEIR documentation and cross referenced the now abandoned Rio Dulce project.
 - Dept. of Public Works appears not to have responded to the December letter
- What is the impact of the State Water Project's recent decision not to deliver water to 29 local water agencies have on the project's ability to secure a municipal water supply from AVECC?
 - The entire project is predicated on a municipal water supply being in place
- What impact does the growing State level intervention to restrict development in high fire zones have on the ability to record the remaining 179 lots?
 - Is there a real risk that only phase 1 will be allowed to be built?