



Chairman

Andrew Vanderlaan
Public Member

April 7, 2014

Vice Chairman

John Ingalls
Santa Fe
Irrigation District

7C

TO: Local Agency Formation Commission

FROM: Executive Officer
Chief, Governmental Services

Members

Bill Horn
County Board of
Supervisors

SUBJECT: Proposed "Meadowood Reorganization" (Valley Center
Water District) (RO12-11)

Dianne Jacob
County Board of
Supervisors

Project Description

Bud Pocklington
South Bay
Irrigation District

Submitted by resolution of the Valley Center Municipal Water District (MWD), the proposed reorganization involves: (1) annexation to the Valley Center Municipal Water District (MWD), San Diego County Water Authority (CWA), Metropolitan Water District of Southern California (MET), and North County Fire Protection District (FPD); (2) concurrent detachment from the San Luis Rey MWD; and (3) divestiture (removal) from the structural fire protection and emergency medical services zone of County Service Area (CSA) No. 135. The detachment and divestiture will avoid an overlap of service responsibility among the districts.

Lorie Zapf
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Sam Abed
Mayor
City of Escondido

Alternate Members

Currently, the territory is primarily vacant with some active citrus and avocado groves surrounded by annual grasslands and native vegetation, as well as pasture land and natural open space. Scattered throughout are four single-family homes, sheds associated with agricultural uses, and other miscellaneous structures. By California Government Code definition, the property is considered uninhabited (i.e., fewer than 12 registered voters).

Greg Cox
County Board of
Supervisors

While the project footprint totals approximately 390 acres, the area proposed for development encompasses only about 267 acres. The remaining 123± acres consist of natural open space, will not be developed, and will not require water and sewer services. Therefore, only the 267-acre area will be annexed to the Valley Center MWD, San Diego CWA, and MET (Map 1). Additionally, the detachment from the San Luis Rey MWD consists of roughly 243 acres, which represents the portion of the project located within that agency (Map 2).

Sherri Lightner
Councilmember
City of San Diego

Jo MacKenzie
Vista Irrigation District

Lorraine Wood
Councilmember
City of Carlsbad

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Counsel

Thomas Bosworth

Although the entire ownership is in the fire and emergency medical services zone of CSA No. 135, the property is in the North County FPD's sphere of influence. Final approval of the development plan requires annexation

to the North County FPD so that a higher level of service provision will be available to the structures that will be constructed. The open space area has been included in the annexation so that suppression from destructive fires as well as emergency medical services are available. While the area will be excluded from CSA No. 135's fire and emergency medical services zone, it will remain in the CSA's communications system. To ensure the continuation of fire and other related services to the territory, removal of the subject area from the fire zone is conditioned on annexation to North County FPD (Map 3).

Even though the proposed reorganization area is not contiguous to Valley Center MWD, annexation is allowed by provisions in the State's Health and Safety Code as long as the subject agency can provide service. The District has provided "will serve" letters indicating that water and sewer services can be provided to the site. Capacity is available to deliver water service via connection to a San Diego CWA pipeline. An interim wastewater treatment facility will serve the initial development phases while a permanent regional facility is being planned and constructed. All treated effluent will be recycled for other uses that will result in the reduction in demand for imported water.

When the reorganization application was submitted, the property was not in Valley Center MWD's sphere or in the spheres for the San Diego CWA and MET since they parallel the spheres of the member agencies. As a result of approving the MSR/SOI Update Study for the Bonsall and Pala Hydrologic Subareas, the Meadowood Project site is now consistent with the spheres for Valley Center MWD, San Diego CWA, and MET.

Development Plans and Public Services

The County approved a Vesting Tentative Map and Major Use Permit that propose the construction of 355 single-family homes, 164 detached condominiums, and 325 townhomes in addition to a park and recreation center, an elementary school, and a wastewater treatment facility; approximately 50 acres will be retained for agricultural usage. Conditions for final approval of the development plan include annexation to the North County FPD in order to provide a higher level of fire protection services to the structures proposed for construction, and annexation to secure water and sewer services.

State law outlines myriad factors that are to be considered when the Commission reviews a proposal (Government Code Section 56668[a-n]). Some of the topics to be included relate to population, topography, drainage basins, and growth; the need for public services; effects on adjacent territory, and community character; conformity with general plans and land use designations as well as local policies; and adequacy and service availability/capacity. Paragraph (b) of Section 56668 discusses "services" and specifically mentions the "... public facilities necessary to provide those services."

In light of recurring drought conditions in California, the State Water Code requires that a Water Supply Assessment and Verification Report (WSA) be produced to ensure an adequate water supply is available when development is proposed on territory that is not in a district responsible for water delivery. Currently, the Meadowood property is in the San Luis Rey MWD, which does not provide public water service. Thus, the County of San Diego was required to prepare and adopt a WSA document to ensure that adequate water was

available to serve the proposed development.

The report identified Valley Center MWD as the agency that should provide water and sewer services to the Meadowood Project, and noted that water demand associated with that Project has been included in the County Water Authority's water demand forecasts contained in the 2007 Urban Water Management Plan (UWMP). Furthermore, the subsequent 2010 UWMP verified that sufficient water would be available over a 20-year planning horizon to meet Meadowood's estimated demand as well as having water resources necessary for other future development in the region in both normal and dry year forecasts. As the designated water purveyor, the Valley Center MWD was required to review and approve the County document, which also was evaluated by LAFCO staff.

Also, since 1990, Valley Center MWD has required that, when possible, new development will install facilities that allow use of recycled water resulting in a reduction of imported water demand. The Meadowood development plan incorporated the use of reclaimed water for irrigation of common landscaped areas and agricultural groves that will be maintained by the homeowner's association.

Because the San Luis Rey MWD has no infrastructure, lacks legal authority to provide water and sewer services, and has no permits to do so, the reorganization involves detachment from that agency. Concurrent annexation to Valley Center MWD will rectify that circumstance and satisfy the development plan condition requiring annexation to obtain sewer and water services.

Even though the proposed reorganization area is not contiguous to Valley Center MWD, the District has provided "will serve" letters indicating that water and sewer services can be provided to the site. Capacity is available to deliver water service via connection to a San Diego CWA pipeline. An interim wastewater treatment facility will serve the initial development phases while a permanent regional facility is being planned and constructed. All treated effluent will be recycled for other uses that will result in the reduction in demand for imported water.

San Diego LAFCO Water Supply and Reliability Policy Guidelines

The Cortese-Knox-Hertzberg Act has directed each LAFCO to consider the availability of a reliable and adequate long term water supply when the Commission makes a decision on pending proposals. Per State law, local agencies must examine the factors outlined in Government Code Section 56668 – 56668(k) states "Timely availability of water supplies adequate for projected needs" and includes the requirement to comply with Government Code Section 65352.5 (adequacy of existing and planned water supplies).

In April 2008, the Commission requested that staff and the Special Districts Advisory Committee review and consider how San Diego LAFCO should address water supply and reliability in the context of project review. With input from Advisory Committee members, policy guidelines were drafted and then approved in May 2010 to deal with water issues particularly in light of existing and potential future drought conditions. Thus, during the review and processing of proposals related to provision of water service, the Commission

was directed to utilize information from the local purveyor responsible for the availability of water supply and delivery. That water agency is then required to verify that sufficient water is reasonably expected to be available to provide service during a drought emergency; Valley Center MWD has provided assurances that sufficient resources are available to supply water to the Meadowood Project site. As previously mentioned, the County conducted a water supply and assessment study to ensure that adequate water is available to serve the proposed Meadowood development – Valley Center MWD was identified as the water purveyor and the County approved the document, which was included as a technical appendix to the Final EIR.

General Plan, Zoning, and Location

The subject territory is in the Fallbrook Community Plan with different portions of the area having the following County General Plan designations, including six that are Village Residential:

- Village Residential (VR-24); (VR-4.3); (VR-7.3); (VR-15); (VR-2.9); (VR-20)
- Semi-Rural Residential (SR-2)
- Rural Lands (RL-20) and Rural Lands (RL-40)
- Specific Plan Area
- Neighborhood Commercial
- General Commercial
- Limited Impact Industrial
- Public/Semi-Public Facilities

The area is surrounded by rural land having some residential/agricultural uses to the east, specific plan area (limited industrial, commercial) to the west, and is located north of State Route 76, west of Rice Canyon Road, south of Pala Mesa Heights Road, and east of Interstate 15 (Thos. Bros. pgs. 1028/J6&7 and 1048/J1).

Terms and Conditions

Each subject agency can submit terms and conditions pertaining to the reorganization. However, LAFCO has the authority to approve, deny, or modify those requests. Both the San Diego CWA and MET impose terms and conditions when a proposal involves annexation to a member agency. Valley Center MWD, San Diego CWA, and MET have finalized terms and conditions pertaining to the Meadowood Reorganization. In addition to the terms and conditions requested by North County FPD, the divestiture from CSA No. 135's fire zone will be contingent on annexation to North County FPD. Terms and conditions submitted by the San Luis Rey MWD generated controversy and were presented for discussion by the Special Districts Advisory Committee.

Originally, the San Luis Rey MWD requested numerous terms and conditions that LAFCO staff determined were either unnecessary, not subject to LAFCO purview, or involved regulation of land use and property development. Ultimately, the District rescinded all but two terms and conditions:

1. Reimbursement and payment to San Luis Rey for legal and technical (e.g., water supply and quality monitoring) expenses, fee, and costs arising from the Meadowood Reorganization and San Luis Rey's terms and conditions totaling \$44,682.08 (as of November 22, 2013).
2. Preservation of San Luis Rey's fiscal integrity via:
 - (a) A one-time payment for thirty (30) years of Water Standby Assessments in the amount of \$4,880.00 per year for a total of \$146,400.00; and
 - (b) A one-time payment for thirty (30) years of loss of property tax revenue in the amount of \$1,115.64 per year for a total of \$33,469.20.

Note: Information from the County Property Tax Services Department states that the actual annual loss of property tax revenue is \$404.85; thus, the total for 30 years would be \$12,145.50.

The 30-year future time frame was calculated on the charge having been collected for the last 30 years and anticipation of collecting the fee for another 30 years. In a letter dated July 9, 2013, the District stated the need to receive financial compensation was "... to preserve the District's fiscal integrity that would otherwise be adversely affected by the Meadowood Reorganization." It should be noted that the District encompasses approximately 3,000 acres; the Meadowood property located in the District boundary is about 243 acres.

In the past, the payment of reimbursement for expenses pertaining to a detachment has been imposed when appropriate. Generally, those circumstances occurred if a change of organization required the transfer of water or sewer meters and other infrastructure related to provision of service by the annexing district. In other words, the detachment had a direct bearing on costs that were incurred. This does not apply to the Meadowood Reorganization since San Luis Rey MWD has no infrastructure and does not deliver water or sewer services.

Once property is detached from a district, the associated property tax revenue is redistributed to the agency/agencies that assume(s) responsibility for service provision. County staff represents special districts during that process; however, any special district may participate via a request to the Board of Supervisors. San Luis Rey MWD failed to submit a request to take part in the proceedings. Thus, it may be that the District Board is attempting to use these proceedings to overcome this failure.

There are no provisions in State Law that require a property owner to pay a local government agency for detachment of property. In specific cases, it may be appropriate to impose a fee when a district will continue to provide service even after detachment, such as the case of a fire district that remains the first responder and mutual aid agreements are in effect. A detachment fee also should be imposed if the district has a contractual obligation involving bonded debt associated with the detaching property. In that

circumstance, imposition of a condition to require reasonably proportional payment to retire that debt would be appropriate. However, neither of these conditions pertains to detachment of the Meadowood property since San Luis Rey MWD would not continue service responsibility and has no bonded debt. The District's terms and conditions concerning loss of property tax revenue and water standby fees suggest that San Luis Rey MWD would continue providing services, which is not the case. Water service concerns will be addressed by the annexing district – Valley Center MWD.

Special Districts Advisory Committee

The Special Districts Advisory Committee discussed the proposed sphere changes, and San Luis Rey MWD's requested terms and conditions pertaining to the "Meadowood Reorganization." Despite previous correspondence from LAFCO staff (with concurrence of legal counsel) that conditioning approval of a proposal on payment for cost reimbursement or detachment fees is required, San Luis Rey MWD's attorney continued to contend that imposition of those fees was appropriate.

After some discussion, Committee members approved the following recommendations concerning the Meadowood Project:

1. The Terms and Conditions requested by the San Luis Rey MWD cannot be imposed by LAFCO.
2. There is insufficient justification for San Luis Rey MWD to receive detachment fees.
3. The Meadowood property should be removed from San Luis Rey MWD's sphere of influence.
4. The non-contiguous portion of San Luis Rey MWD should be removed from the District's sphere and placed in Rainbow MWD's sphere.

Environmental Review

The County Board of Supervisors adopted a Final EIR covering the Meadowood Reorganization and associated sphere of influence review. Since the proposed development project will be phased over several years, phasing would be coordinated with the availability of water, sewer, fire protection, and school services. The primary goal of the project is to accommodate housing demand based on projected population increases while retaining the existing rural atmosphere in the area.

Overall, the project was approved because it achieves the goal of balancing population and housing needs with open space, agricultural land use, and the development of infrastructure in the community. A CD of the complete EIR is enclosed for the Commission and also can be downloaded from the LAFCO website. A listing of categories pertinent to LAFCO that have impacts mitigated to a level of less than significant follows along with a description of unmitigable impacts. A more in depth summary of the conclusions reached in the Final EIR is explained in the Supplemental LAFCO report for the Municipal Service

Review and Sphere of Influence Review for the Bonsall Pala Hydrologic Subareas.

- **Land Use Plans** – approval of the associated general plan amendment designated the project site as a Current Urban Development Area, which henceforth will be considered urban land where residential land use and densities would be appropriate.
- **Transportation Corridors** – the project is consistent with the I-15 Corridor Subregional Plan, Scenic Preservation Guidelines, and the Master Specific Plan for the I-15/SR-76 Interchanges.
- **Resource Protection Ordinance (RPO)** – the San Luis Rey River floodway will not be altered and steep slopes, sensitive habitat, and cultural resources will be preserved along with 91 percent of on-site (RPO) steep slopes; 122.4 acres of sensitive habitat will remain in open space.
- **Community Impacts** – the community of Fallbrook is physically separated by the I-15 corridor. While development of a maximum of 844 single-family and multi-family dwelling is allowed where four houses currently exist, no residents would be displaced during construction. No established communities are located in the project site.
- **Schools** – “will serve” letters were submitted by both the Bonsall Union Elementary School District (ESD) and the Fallbrook Union ESD. The project includes site for the construction of an elementary school within the Bonsall Union ESD.
- **Fire Protection and Law Enforcement** – the North County FPD has submitted a “will serve” letter, and has outlined fire protection development standards as design measures and implementing permits. Response time to the furthest dwelling unit from the closest FPD’s station is about five minutes.

The County Sheriff’s Department has indicated that no new facilities or expansion of existing facilities would be required.

- **Water** – annexation into the Valley Center MWD, San Diego CWA, and MET are required. Water demands, including dry year forecasts, projected for Meadowood were included in the Urban Water Management Plan 2007, which determined that the estimated potable water supply will meet the projected potable water demand. Also recycled water will be utilized for on-site irrigation to reduce the need for imported water.

Pursuant to the State Water Code a Water Supply Assessment and Verification Report (WSA) was prepared, which concluded that sufficient water is available to serve this project and other planned projects in San Diego CWA’s service area over the next 20 years during normal, dry year, and multiple dry year conditions. This finding was based on the availability of imported water, and use of recycled water.

- **Wastewater** – the estimated amount of wastewater is in compliance with County’s General Plan Public Facility Element Policies, which require a reasonable expectation that wastewater treatment and disposal will be available.
- **Agricultural Resources** – an estimated 210 acres currently is used for agricultural activities; approximately 50 acres will be retained. The LESA score indicates that it does not represent a significant agricultural resource, and would not result in a cumulatively considerable contribution to the conversion of significant agricultural resources.

In the context of LAFCO’s definitions, 14.5 acres of Prime Agricultural land will be converted to non-agricultural uses. However, this location has been planned to support additional development since around 1983; roadway construction is limited to traffic from only the proposed project; the area is included in the 2007 Update to the CWA 2005 Urban Water Management Plan; parks are scaled to comply with State and County requirements; and a new school site would assist in meeting student enrollment demands. Thus, the project is considered planned, orderly, and efficient development.

- **Growth Induction** – infrastructure will be sized to serve only the project; the area will support additional development as identified by SANDAG’s Smart Growth Concept Map, the I-15 Corridor Subregional Plan, the I-15/Highway 76 Master Plan, and the County of San Diego’s General Plan Update. Additional housing is proposed in an area historically planned to support residential and commercial development and is included in the 2007 Update to the San Diego CWA 2005 Urban Water Management Plan. Roadway construction will serve traffic from only the proposed project; parks are scaled to comply with State and County requirements; and a new school site would assist in meeting student enrollment demands.

Unmitigated Environmental Impacts

Mitigation measures were adopted for most impacts that will bring them to a level of insignificance. Complete lists of specific mitigation measures and design requirements are contained in the Final EIR. However, mitigation was not feasible for: (1) temporary, short-term adverse visual impacts related to project construction; (2) cumulative impacts related to overall changes in views from surrounding areas; (3) traffic/transportation impacts to segments of SR 76; and (4) air quality both during and after project construction. A Statement of Overriding Considerations was adopted to address these significant and unmitigated impacts.

- **Visual Character** – Temporary visual impacts during construction will occur, but will be reduced by design measures. Regional development will be a significant cumulative impact with no feasible mitigation available. Nevertheless, this project will allow the County to address current and projected housing needs for an increasing population. Because this area has been designated in the General Plan Update as a region that could satisfy that need, multiple projects are proposed that

will change the existing visual character from rural land usage to urban land usage making the cumulative visual change in the region unavoidable.

- **Traffic/transportation** – Caltrans has adopted changes and/or alterations to address traffic/transportation impacts. However, given the magnitude of potential development in this region, additional improvements would require regional highway planning that is not under County jurisdiction.
- **Air Quality** – Project design promotes alternative forms of transportation to reduce traffic and associated emissions, but some are significant and unmitigable based on an air quality model that does not include anticipated reductions that could result from recent regulations on motor vehicles. Regulations on future motor vehicles would reduce emissions, but cannot be quantified at this time.

Overriding Considerations

A lead agency may approve a project that could result in the occurrence of identified significant effects that cannot be avoided or substantially lessened as long as the agency provide a written statement containing the specific reasons to support the action, which is based on the Final EIR and/or other information in the record. The Board of Supervisors adopted a Statement of Overriding Considerations for the unavoidable significant effects by finding that they are acceptable due to each of the specific economic, legal, social, technological, or other overriding benefits that will result from approval and implementation of the projects.

Conclusions

San Luis Rey MWD submitted terms and conditions associated with detachment of territory from the District claiming that reimbursements are in order based on expenses related to the reorganization. LAFCO staff does not support the request. Even though reimbursement may be appropriate in some cases, it typically is related to circumstances where detachment required the transfer of water or sewer meters and other infrastructure related to continued service provision by the annexing district. Hence, the detachment had a direct bearing on costs that were incurred, which does not pertain to the Meadowood Reorganization – San Luis Rey MWD has no infrastructure and does not deliver water or sewer services. Most of the reorganization costs related to legal fees expended to present arguments that the Commission should impose numerous terms and conditions. Although LAFCO staff, with concurrence of legal counsel, disputed the request, the District persisted and thus incurred additional expenses, which the Board of Directors believes should be borne by the current property owner.

San Luis Rey MWD also wishes to receive one-time payments associated with loss of property tax revenue and water availability/standby charges attached to the Meadowood property. Staff has concluded that neither of these payments is appropriate. By virtue of detachment, San Luis Rey MWD will relinquish service responsibility for the property. In addition, the water availability/standby charge does not meet the legal requirements necessary to impose such a fee since the District does not have latent powers to make

water available. For these reasons, LAFCO staff is not recommending the imposition of any terms and conditions requested by the San Luis Rey MWD. Therefore, it is

RECOMMENDED: That your Commission

- (1) Certify, pursuant to Section 15091 of the State CEQA Guidelines, that the Commission has reviewed and considered the attached EIR. The mitigation measures approved by the County of San Diego for the impacts identified in the attached EIR have been adopted by the County, and that the mitigation is under the jurisdiction of the Districts and not LAFCO because the affected resources and the extension of public services will be within the boundaries of the Districts upon annexation;
- (2) Adopt, pursuant to Section 15096(h) of the State CEQA Guidelines, the Findings of Fact and Statement of Overriding Considerations previously adopted by the County of San Diego as lead agency, as shown in Exhibit 1;
- (3) Find that the reorganization is in compliance with LAFCO Policy L-101 in that the project would promote the planned, orderly, efficient development of the property based on conclusions reached in the environmental document because adjacent projects are bringing infrastructure to the area;
- (4) In accordance with State law, the Commission will waive protest proceedings unless written opposition to the proposal from landowners or registered voters in the affected territory is received before the conclusion of the commission proceedings because mailed notice has been given to the subject landowners and registered voters of the proceedings and the notice disclosed that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory; and
- (5) Adopt the form of resolution approving this reorganization for the reasons set forth in the Executive Officer's Report, delegating to the Executive Officer of the Local Agency Formation Commission the responsibility for holding protest proceedings if protest has been submitted prior to the conclusion of the commission proceedings, subject to the following terms and conditions:

Valley Center MWD:

- 1) Pardee Homes shall pay all costs and fees associated with the proposed Meadowood Reorganization, including but not limited to the following:
 - a) All VCMWD annexation and processing fees and charges; and
- 2) All water, wastewater, and recycled water service to the Proposed Territory for ownership and operation by VCMWD shall be subject to, and in accordance with, the rules and regulations for VCMWD; and

- 3) The area to be annexed to VCMWD shall be subject to all special taxes, fees, charges, and assessments currently applicable to VCMWD, SDCWA, and MWD (Metropolitan Water District) and/or other agency charges.
- 4) The area to be annexed to VCMWD shall be subject to all ad valorem property taxes, assessments, fees, and Standby/Availability charges that apply to VCMWD and relate to the area to be annexed to VCMWD that are in existence on the effective date of the Meadowood Reorganization; and
- 5) The area to be annexed to VCMWD shall be subject to taxation after annexation thereof including the payment of principal and interest on bonds and other obligations of VCMWD and/or outstanding at the time of annexation, in the same manner as if the annexed area had always been part of VCMWD.

North County FPD:

- 1) Prior to recordation of the Meadowood Reorganization, Pardee shall enter into an agreement with the District establishing the timing for payment to the District the following annexation fees:
 - a) \$1,000 for each acre or portion of an acre within Meadowood. \$390,000 to be paid to District upon the annexation becoming final.
 - b) \$500 for each dwelling unit within Meadowood to be paid to the District as each building permit is issued by the County for a residential unit within Meadowood.
 - c) \$1,000 for any commercial/industrial structure. \$1,000 to be paid to District as each building permit is issued by the County for a commercial or industrial building within Meadowood.
- 2) Pardee agrees to file an application with the County of San Diego and pursue County's processing and approval of the application to form a CFD/Mello Roos district (or a similar funding mechanism) that will collect and pay to the District an amount no greater than 5% of the 1% real property taxes disbursed by the State of California to the County of San Diego. These CFD/Mello Roos funds will supplement the portion of the real property taxes that the District currently receives as a disbursement from the County of San Diego for District operating and maintenance expenses (as per tax exchange rate agreement previously approved by the Board of Supervisors in the year 2013).
- 3) District agrees that the Meadowood Community will not be subject to existing bonded indebtedness or contractual obligations because no such indebtedness or obligation exists, or will exist, at the time the Meadowood Reorganization will become final.

LAFCO:

- 1) Annexation to the Metropolitan Water District of Southern California (MET) and the San Diego County Water Authority (CWA) subject to the terms and conditions of the MET and CWA.
- 2) Removal/divestiture of the entire Meadowood ownership consisting of 390± acres from the fire and emergency medical services zone of CSA No. 135 is contingent upon annexation of that territory to the North County FPD.

Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

INGRID E. HANSEN
Chief, Governmental Services

MDO:IEH:trl

Attachments

Map 1: Annexation to Valley Center MWD, CWA, and MET

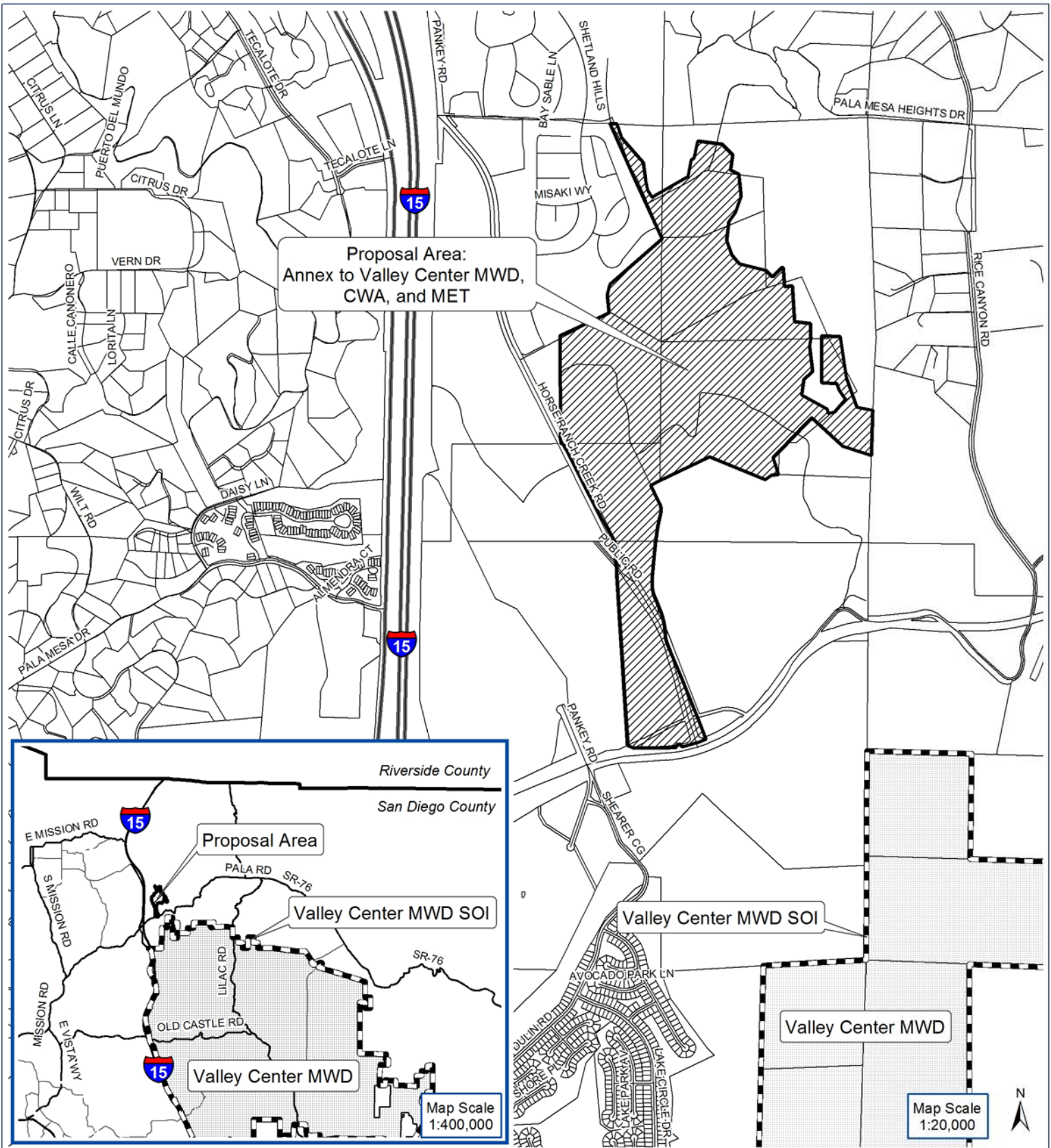
Map 2: Detachment from San Luis Rey MWD

Map 3: Annexation to North County FPD with Removal/Divestiture from the Fire and Emergency Medical Services Zone of CSA No. 135

Resolution Approving the EIR

Exhibit 1: Findings of Fact and Statement of Overriding Considerations

Environmental Impact Report (CD) (***Refer to Item 7A EIR***)






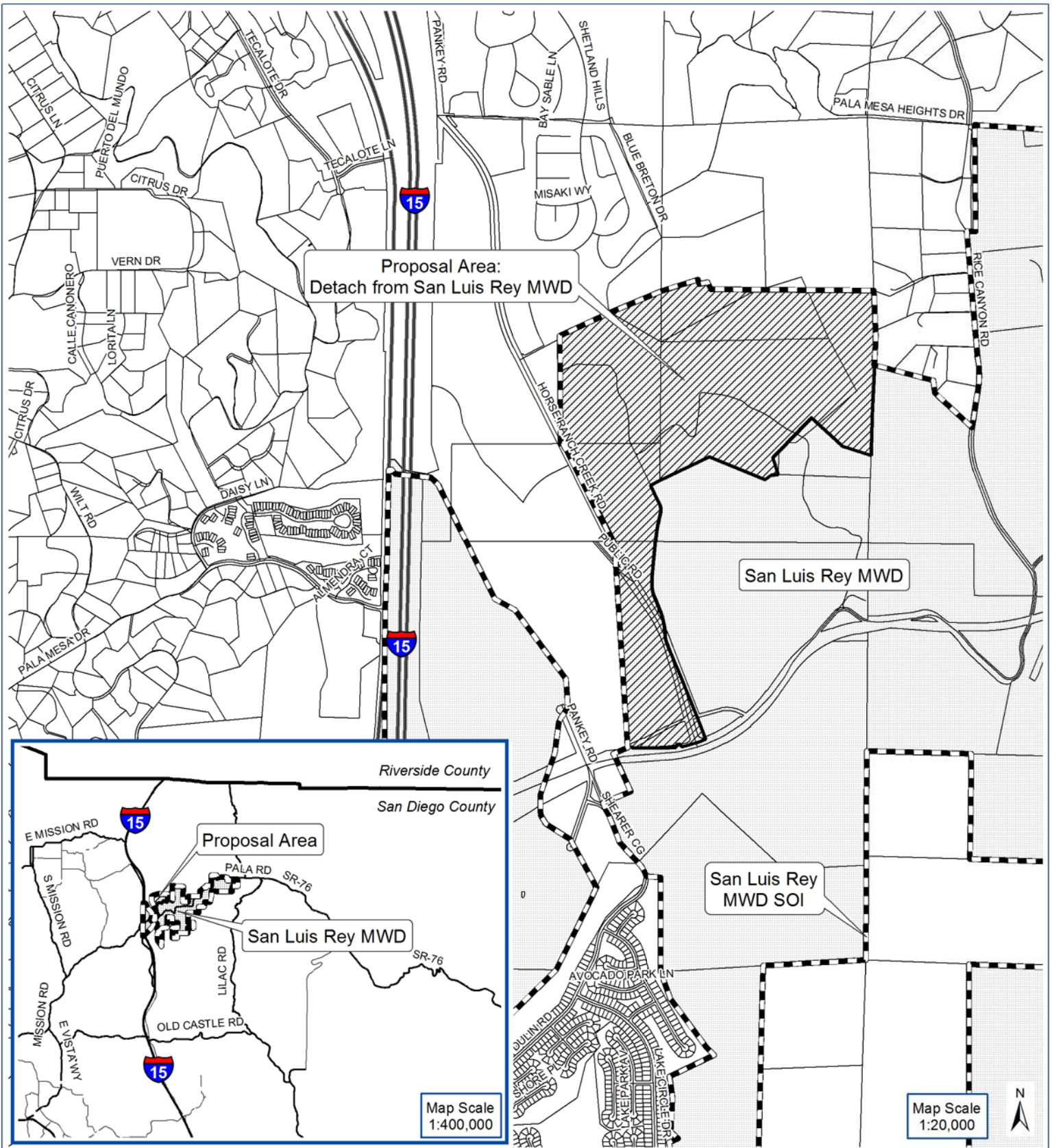
MAP 1

RO12-11

PROPOSED "MEADOWOOD REORGANIZATION" (VALLEY CENTER MWD)

ANNEXATION TO VALLEY CENTER MWD,
CWA, AND MET

-  Proposal Area
 -  Valley Center MWD
 -  Valley Center MWD SOI
- SOI = Sphere of Influence



RO12-11

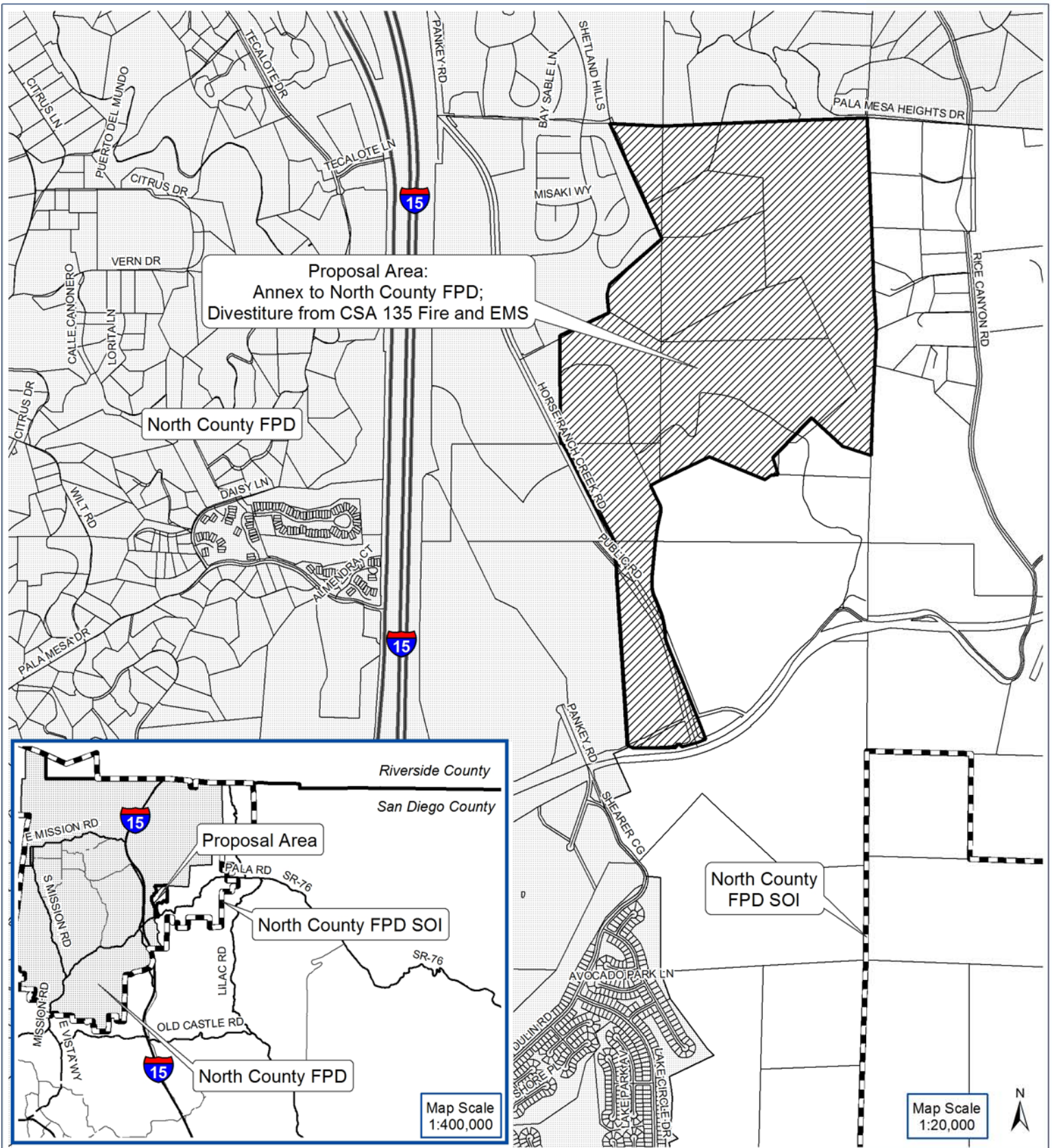
PROPOSED "MEADOWOOD REORGANIZATION"

(VALLEY CENTER MWD)

MAP 2

DETACHMENT FROM SAN LUIS REY MWD

- Proposal Area
 - San Luis Rey MWD
 - San Luis Rey MWD SOI
- SOI = Sphere of Influence



MAP 3

RO12-11 PROPOSED "MEADOWOOD REORGANIZATION" (VALLEY CENTER MWD)

**ANNEXATION TO NORTH COUNTY FPD;
DIVESTITURE FROM CSA NO.135 FIRE AND EMS**

- Proposal Area
 - North County FPD
 - North County FPD SOI
- SOI = Sphere of Influence

COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
JANUARY 9-11, 2012

7C

MINUTE ORDER NO. 3

SUBJECT: NOTICED PUBLIC HEARING:
MEADOWOOD MASTER PLANNED COMMUNITY; FALLBROOK
COMMUNITY PLAN AREA (DISTRICT: 5)

OVERVIEW:

The Meadowood Master Planned Community is a 389-acre project with an overall density of 2.3 dwelling units per acre that consists of 844 single and multi-family residences, public and private active and passive recreational facilities, open space preserve areas, a wastewater treatment plant and new public roadways to serve the project. Applications to be considered by the County decision-makers include a General Plan Amendment, Specific Plan, a Zone Reclassification, Vesting Tentative Map, a Major Use Permit, and three Site Plans. Additional actions required are the adoption of a Water Supply Assessment and Verification Report and a Statement of Reasons to extinguish access to mineral resources of statewide significance.

The project site is located in the northeast quadrant of the SR-76 and I-15 Interchange, within the Fallbrook Community Plan area, County of San Diego (2008 Thomas Guide Page 1028, J-6, 7 and 1029, A-5-7).

The project case numbers are: 3810-04-001 (SP); 3800 04-002 (GPA); 3600 04-004 (R); 3100 5354 RPL⁴ (VTM); 3500 04-005 (VSTP); 3500 04-006 (STP); 3500 04-007 (STP); 3300 08-023 (MUP); 3910 04-02-004 (ER); SCH No. 2004051028.

FISCAL IMPACT:

N/A

BUSINESS IMPACT STATEMENT:

The residential development would generate jobs related to the design and construction of the project site.

RECOMMENDATION:

PLANNING COMMISSION

The Planning Commission made the following recommendations to the Board of Supervisors:

1. Adopt the Environmental Findings included in Attachment J.
2. Adopt the Water Supply Assessment and Verification Report (WSA) which finds there is an adequate supply of imported water to serve the project as required by the State Water Code, Sections 10910-12. (Appendix N-2 of EIR)

3. Adopt the Statement of Reasons to permit the proposed use and extinguish access to mineral resources of statewide significance as required by the State Public Resources Code, Sections 2762 and 2763 of the California Surface Mining and Reclamation Act. (Attachment Q)
4. Adopt the Resolution approving GENERAL PLAN AMENDMENT GP04-002. (Attachment B) for the reasons stated therein and discussed in this report.
5. Adopt the Resolution approving SPECIFIC PLAN SP 04-001 (Attachment C) for the reasons stated therein and discussed in this report.
6. Adopt the Ordinance entitled:

AN ORDINANCE CHANGING THE ZONING CLASSIFICATION OF
CERTAIN PROPERTY IN THE FALLBROOK COMMUNITY PLAN
AREA, REF: R 04-004. (Attachment D)
7. Grant Major Use Permit P08-023 and impose the requirements and conditions set forth in the Major Use Permit Form of Decision. (Attachment I)
8. Adopt the Resolution approving VESTING TENTATIVE MAP 5354RPL⁴, which includes those requirements and conditions necessary to ensure that the project is implemented in a manner consistent with State Law and County of San Diego Regulations. (Attachment E)
9. Grant Vesting Site Plan Permit S04-005 and impose the requirements and conditions set forth in the Vesting Site Plan Form of Decision. (Attachment F)
10. Grant "V"-Setback Site Plan Permit S04-006 and impose the requirements and conditions set forth in the Site Plan Form of Decision. (Attachment G)
11. Grant "B"-Designator Site Plan Permit S04-007 and impose the requirements and conditions set forth in the Site Plan Form of Decision. (Attachment H)

DEPARTMENT OF PLANNING AND LAND USE

The Department of Planning and Land Use concurs with the Planning Commission's recommendation (including the Commission's October 7, 2011, recommendations below) and recommends that the Board of Supervisors require Pardee Homes to enter into an agreement to defend and indemnify the County, as specified in San Diego County Code Section 86.201, et seq. In accordance with Section 86.202, Pardee Homes shall provide security at the time of project approval in the amount of \$250,000.00, in the form of an irrevocable letter of credit or bond, in a form acceptable to County Counsel.

NOTE: The Board took action on this item on Wednesday, January 11, 2012.

3.1 ACTION:

ON MOTION of Supervisor Horn, seconded by Supervisor Jacob, the Board closed the Hearing and took action as recommended, adopting Resolution No. 12-003, entitled: A RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS ADOPTING GENERAL PLAN AMENDMENT (GPA) 04-002; Resolution No. 12-004 entitled: RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS APPROVING SPECIFIC PLAN SP04-001 MEADOWOOD SPECIFIC PLAN; Resolution No. 12-005 entitled: RESOLUTION OF SAN DIEGO COUNTY CONDITIONALLY APPROVING VESTING TENTATIVE MAP NO. 5354RPL⁴ (VTM); adopting Ordinance No. 10196 (N.S.) entitled: AN ORDINANCE CHANGING THE ZONING CLASSIFICATION OF CERTAIN PROPERTY IN THE FALLBROOK COMMUNITY PLAN AREA REF: R 04-004; and directing the Chief Administrative Officer to add a requirement that the applicant extend the timeframe to six years for the Valley Center School District to acquire property to develop a school.

AYES: Cox, Jacob, Slater-Price, Roberts, Horn

3.2 ACTION:

ON MOTION of Supervisor Cox, seconded by Supervisor Jacob, the Board directed the Chief Administrative Officer to work with representatives from the Meadowood Master Planned Community, developers of Campus Park Project, the Campus Park West, Palomar Community College, and representatives from applicable Native American tribes to find a suitable and acceptable site to accommodate the re-interment of Native American remains.

AYES: Cox, Jacob, Slater-Price, Roberts, Horn

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the original entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By Andrew Potter
Andrew Potter, Chief Deputy



NOTE: The Board took action on this item on Wednesday, January 11, 2012.

A RESOLUTION OF THE SAN DIEGO COUNTY)
BOARD OF SUPERVISORS ADOPTING)
GENERAL PLAN AMENDMENT (GPA) 04-002)

WHEREAS, pursuant to Government Code Sections 65350 et seq., and Board of Supervisors' Policy I-63, General Plan Amendment and Zoning Implementation Guidelines, GPA 04-002 has been prepared, being the first amendment to the Regional Land Use Element Map of the County General Plan, in the Calendar Year 2012; and

WHEREAS, GPA 04-002 has been filed by Pardee Homes consisting of an amendment to the Regional Land Use Element and Fallbrook Community Plan; and

WHEREAS, pursuant to Government Code Sections 65860 et seq., associated zoning reclassifications have been prepared together with GPA 04-002; and

WHEREAS, the Planning Commission has made its detailed recommendations concerning the above item; and

WHEREAS, the Planning Commission recommends that the Board of Supervisors review and consider the information contained in the Environmental Impact Report (EIR), dated January 11, 2012, on file with the Department of Planning and Land Use, as Environmental Review Number 04-02-004, prior to making its recommendation on the project; and;

WHEREAS, on August 12, 2011 and October 7, 2011, the Planning Commission, pursuant to Government Code Sections 65351 and 65353 held a duly advertised public hearing on GPA 04-002; and

WHEREAS, on January 11, 2012, the Board of Supervisors, pursuant to Government Code Section 65355 held a duly advertised public hearing on GPA 04-002.

NOW THEREFORE BE IT RESOLVED that the Board of Supervisors takes the following actions:

1. Determines and finds that the project complies with the California Environmental Quality Act, the County of San Diego Resource Protection Ordinance, the State Mining Reclamation Act, and the Watershed Protection, Stormwater Management, and Discharge Control Ordinance.
2. Approve GPA 12-001 for application number GPA04-002, which consists of an amendment to the Regional Land Use Element Map, as shown attached hereto, on Exhibit "A."

January 11, 2012

3. Approve GPA 12-001 for application number GPA04-002, which consists of a text amendment to the Fallbrook Community Plan, as shown attached hereto, on Exhibit "B."

BE IT FURTHER RESOLVED that the amended documents shall be endorsed in the manner provided by the Board of Supervisors.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in force from and after 30 days after its adoption.

ON MOTION of Supervisor Horn, seconded by Supervisor Jacob, the above Resolution was passed and adopted by the Board of Supervisors, County of San Diego, State of California, on this 9th day of January, 2012, by the following vote:

AYES: Cox, Jacob, Slater-Price, Roberts, Horn

STATE OF CALIFORNIA)
County of San Diego)^{ss}

I hereby certify that the foregoing is a full, true and correct copy of the Original Resolution entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors

By: *Catherine Santos*
Catherine Santos, Deputy



Resolution No. 12-003
Meeting date: 1/09/12 (3.1)

ENVIRONMENTAL FINDINGS
MEADOWOOD MASTER PLANNED COMMUNITY
GPA04-002; SP04-001; R04-004; TM5354RPL⁴; S04-005, S04-006, S04-007; P08-023;
and Log No. ER 04-02-004;
SCH #2004051028

1. Find that the Planning Commission has reviewed and considered the Environmental Impact Report (EIR) for the proposed project dated August 12, 2011, on file with the Department of Planning and Land Use as Environmental Review Number 04-02-004, before making its recommendation on the project.
2. Certify that the Environmental Impact Report (EIR) dated January 11, 2012, on file with the Department of Planning and Land Use as Environmental Review Number 04-02-004, has been completed in compliance with CEQA and the State CEQA Guidelines, that the Board of Supervisors reviewed and considered the information contained therein before and approved the project, and that the EIR reflects the independent judgment and analysis of the Board of Supervisors.
3. Adopt the findings concerning mitigation of significant environmental effects pursuant to State CEQA Guidelines Section 15091. (Attachment K)
4. Adopt the Decision and Explanation Regarding Recirculation of the Draft Environmental Impact Report pursuant to State CEQA Guidelines section 15088.5(e). (Attachment K)
5. Adopt the Statement of Overriding Considerations pursuant to State CEQA Guidelines section 15093. (Attachment K)
6. Find that the proposed project is consistent with the Resource Protection Ordinance (County Code, section 86.601 et seq.).
7. Find that plans and documentation have been prepared for the proposed project that demonstrate that the project complies with the Watershed Protection, Stormwater Management, and Discharge Control Ordinance (County Code, section 67.801 et seq.).
8. Adopt the Mitigation and Monitoring Program as incorporated into the project conditions of approval pursuant to CEQA Guidelines section 15091(d).

**STATEMENT OF OVERRIDING CONSIDERATIONS
MEADOWOOD PROJECT
SP04-001; GPA04-002; R04-004; TM5354; S04-005, S04-006, S04-007; P08-023;
and Log No. ER 04-02-004; SCH #2004051028**

January 11, 2012

Background

Pursuant to Section 21081 of the California Environmental Quality Act (CEQA) and Section 15091 of the State CEQA Guidelines, the County of San Diego Board of Supervisors ("Board") finds that mitigation was not feasible for: (1) temporary, short-term adverse visual impacts related to project construction; (2) significant cumulative impacts related to overall changes in view composition from surrounding areas; (3) significant, direct short-term traffic/transportation impacts to segments of State Route 76 [EIR (dated 4/11/11) page 2.3-16 indicates that the project will have significant and unmitigated long term direct and cumulative impacts]; (4) significant air quality impacts during Project operation; and (5) significant cumulative air quality impacts related to inconsistency with RAQS and applicable SIP.

Significant temporary, short-term adverse visual impacts would occur during the proposed construction due to removal of existing vegetation and the introduction of new, visually dominant elements such as cut or fill slopes, construction fencing, construction equipment, and construction materials stockpiling and storage, which would cause the site character to temporarily conflict with the surrounding characteristics (Impact A-1, as discussed in EIR Section 2.1.3 and in the Visual Impact Assessment [VIA]). With regard to construction-period effects, phasing of the construction activities would restrict the amount of site under active build at any one time. Installation of landscaping subsequent to each construction phase (hydroseeding) would also help to minimize visual effects of grading activities and building construction. Nonetheless, incompatible changes to the existing visual character due to construction-period effects related to vegetation removal and the introduction of built elements into a rural setting would degrade the quality of views from the surrounding areas in the short term. No feasible mitigation beyond Project design features already incorporated is available for these impacts.

Implementation of the Proposed Project in combination with cumulative projects would result in significant cumulative impacts related to overall changes in view composition from surrounding areas (Impacts A-2 and A-3, as discussed in EIR Section 2.1.4 and in the VIA). The Proposed Project has been designed to include a number of important elements that serve to avoid a majority of the potential significant impacts to visual resources. Project design features such as landscaping, building setbacks, and architectural details all would help to reduce the visual impacts created by the Proposed Project by screening buildings and lighting at Project buildout. These features would not affect the dominance of the cumulative projects due to their scale; and therefore would not reduce the Project's contribution to cumulative visual impacts to less than significant levels. In addition, while each of the cumulative projects will likely provide design measures, like the Proposed Project, to reduce direct visual impacts, the cumulative visual change in the region is unavoidable. These effects remain unmitigable and long-term for Impacts A-2 and A-3.

For significant direct traffic/transportation impacts along State Route (SR) 76 between Via Monserate to Gird Road and from the I-15 Southbound Ramp to I-15 Northbound Ramp (Impact TR-2), the changes or alterations are within the responsibility and jurisdiction of another government agency and have been adopted by that other agency. These direct impacts are

identified in EIR Sections 2.3.3, and in the Traffic Impact Study (TIS). These segments of SR 76 will be widened to four lanes under the California Department of Transportation (Caltrans) SR-76 East Project. Once SR-76 is widened, its capacity would increase and Proposed Project related traffic would no longer contribute to unacceptable LOS.

Because these improvements are under the jurisdiction of Caltrans and not the County, there is a potential that the Caltrans improvements will not be in place prior to the first residential unit. As such, the County cannot assure that impacts would be avoided until actual improvements have been constructed. If Caltrans' construction of the improvements is delayed, the only mitigation would be for the applicant to widen SR-76 to four lanes. Given the magnitude and ongoing nature of the projects/plans summarized above, widening SR-76 along these affected segments would require detailed engineering and construction beyond the capability of a single private applicant (including extensive conversion of existing land uses beyond the purview/ability of a private applicant). These improvements would require regional highway improvements of a magnitude and scope disproportionate to the current development project and outside the jurisdiction of the County to approve. The resolution of the existing and projected inadequate service capacities along SR-76 must occur on a regional level.

As noted, the lead agency with authority to approve and implement these improvements is Caltrans, and it is already underway in planning and coordinating with others regarding focused segment improvements. The County, Caltrans and the Project Applicant have met and conferred regarding Proposed Project impacts and appropriate mitigation. The project applicant will help improve SR-76 operations through intersection improvements at SR-76/Horse Ranch Creek Road. Specifically, if applicant precedes the other planned cumulative projects (i.e. Palomar College, Campus Park), then the applicant will construct the intersection and traffic signal at the intersection of SR-76 at Horse Ranch Creek Road. If applicant succeeds the other planned cumulative projects (i.e. Palomar College, Campus Park), then the applicant will construct a second left turn lane from eastbound SR-76 to northbound Horse Ranch Creek Road creating dual left turn lanes. These intersection improvements will allow SR-76 to operate in the AM hours at LOS B (eastbound) and LOS A (westbound) and to operate in the PM hours at a LOB B (both eastbound and westbound).

Regarding operational air quality impacts, on-site traffic and area source emissions greater than the applicable thresholds for ROG and PM10 would result in significant unmitigable impacts (Impacts AQ-3 and AQ-7, as discussed in EIR Section 2.2.3 and in the Air Quality Report). Project design considerations such as complete sidewalk coverage, internal trails, and paved shoulders for bicycle use, would promote walking, bicycle riding, and horseback riding as alternative forms of transportation and reduce traffic and area source emissions. Even with these design measures, direct and cumulative impacts associated with emissions of ROG, and PM10 remain significant and unmitigable based on the URBEMIS 2007 air quality model. This model however, does not include anticipated reductions to air emissions resulting from recent regulations on motor vehicles. These regulations on future motor vehicles would further reduce ROG and PM10 emissions, although the reduction cannot be quantified at this time. Otherwise, the only way to reduce these emissions is to reduce the vehicle miles traveled (VMT). Therefore, no feasible mitigation exists to reduce the remaining significant impact associated with operational emissions.

The Proposed Project would conflict with the existing San Diego RAQS and applicable SIP because the density proposed is not consistent with current land use plans and SANDAG housing forecasts (Impacts AQ-1 and AQ-5, as discussed in EIR Section 2.2.4). This represents a significant impact for which there is no available feasible mitigation. While the Proposed Project

contains smart growth features, which would serve to reduce motor vehicle use, a major goal of the RAQS Transportation Control Measures (TCMs), this would not eliminate this inconsistency with RAQS for the SDAB. This inconsistency can only be rectified when SANDAG updates the RAQS based on the growth projections after the Proposed Project has been approved. Therefore, upon implementation of the Proposed Project, the direct and cumulative impacts will remain significant and unmitigable.

Pursuant to Section 15093 of the State CEQA Guidelines, when the lead agency approves a project that may result in the occurrence of significant effects that are identified in the Final Environmental Impact Report (EIR), but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the Final EIR and/or other information in the record.

Statement of Overriding Considerations

The Board declares that it has adopted all feasible mitigation measures with respect to the above-remaining unavoidable significant effects, and finds that they are acceptable due to each of the specific economic, legal, social, technological, or other Overriding Benefits that will result from approval and implementation of the Proposed Project, as listed below. All of these benefits are based on the facts set forth in the CEQA Findings Regarding Significant Effects, the Final EIR, and the record of the proceedings for the Proposed Project. Each of these benefits is a separate and independent basis that justifies approval of the Proposed Project, so that if a court were to set aside the determination that any particular benefit will occur, the Board finds that it would stand by its determination that the remaining benefit(s) are sufficient to warrant Proposed Project approval.

Overriding Benefits

The Board finds that the Proposed Project would have the following substantial Overriding Benefits:

1. The Proposed Project will preserve a substantial block of biological open space. Specifically, the Project will preserve 122.4 acres of land of which 115.6 acres will be dedicated as part of the proposed North County MSCP preserve. Since only 65.8 acres are required for mitigation, the Project will preserve 49.8 acres in excess of that required to mitigate impacts to sensitive biological resources.

Retention of 122.4 acres, or 31% of the Project Site in open space, will provide a benefit to the County by contributing to the support and preservation of plant and animal life that would not otherwise be preserved in this portion of the County.

2. The Proposed Project's open space will provide an important block of habitat and a critical connection for the implementation of the Draft North San Diego County Multiple Species Conservation Plan ("NCMSCP"), in accordance with the County's Natural Communities Conservation Plan ("NCCP"). The Draft NCMSCP identifies the Project Site as an important linkage between habitat south of the Project Site and habitat to the north and northeast. The retention of this land in open space will provide a benefit to the County by contributing to the preservation and management in perpetuity of a large block of natural open space and agricultural preserve, creating an important linkage, critical for the implementation of the future NCMSCP.
3. The Proposed Project will place approximately 85.5% (74.5 acres) of the on-site coastal sage scrub, approximately 70% (22.0 acres) of the on-site non-native grassland, and 100% of the on-site coast live oak woodland (1.7 acres) in dedicated open space. These habitats are some of the most sensitive resources in the County and have suffered some of the greatest loss and degradation. Preservation of this acreage will provide a benefit to the County by contributing to the continued diversity of plant and animal life within this portion of the County.
4. The Proposed Project will provide a 10.1-acre park site open to the public for recreational uses. This park land would provide passive and active recreational amenities for surrounding communities, an area where there is a known shortage of recreational opportunities. The contribution of recreational park land will provide a benefit to the County through the dedication of much needed public recreational land (and a trail system discussed below) that would not otherwise be available in this portion of the County.
5. The Proposed Project will provide 5.9 miles of multi-use trails (hiking and horsebacking). The Proposed Project's trail system would connect the on-site trails to the open space preserve to the north of the Project Site and to the San Luis Rey River Park to the south and west of the Project Site. The contribution of the trails will provide a benefit to the County because it would implement the intent of the Community Trails Master Plan (CTMP) for this area of the County. In addition the proposed trail system will bring the County one step closer to its long term goal to interconnect the County trail system westward to Oceanside's trail network and eastward toward the mountains creating a continuous trail from the ocean to the mountains. Overall, the Project will contribute a privately-maintained trail system, available to the public, with connections to offsite trails that would not otherwise be available.
6. The Proposed Project will improve SR-76 operations through intersection improvements at SR-76/Horse Ranch Creek Road. Improvements will include widening and signalization. These regional transportation improvements will provide a benefit to the County by contributing to the operation of SR-76 at an acceptable LOS resulting in benefits to all users of these roadways.
7. The Proposed Project provides a range of housing types and costs, single-family detached units, multi-family detached units, and multi-family attached in an area where new housing opportunities are limited. The assortment of housing will provide a benefit to the

County by contributing a range of housing types to County residents who may otherwise be unable to reside in this part of the County.

8. The Proposed Project will participate in the contribution of funds for the acquisition, design and construction of a Transit Node. The Transit Node will provide a benefit to the County by contributing to a public transportation-friendly community which will reduce miles driven, and support basin-wide and localized reductions in air emissions.
9. The Proposed Project, in conjunction with other projects in the area, will contribute to the construction of a future sheriff's station. The new facility, to be located along the I-15 corridor, will provide a benefit to the County by contributing to increased law enforcement capabilities required to adequately serve the future and existing surrounding communities.