



Lou Ann Teixeira
 Executive Officer

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June 9, 2021 (Agenda)

Contra Costa Local Agency Formation Commission
 40 Muir Road, 1st Floor
 Martinez, CA 94553

**June 9, 2021
 Agenda Item 11**

Chang Property Boundary Reorganization - Update

Dear Members of the Commission:

On August 8, 2018, the Commission approved the *Chang Property Reorganization – Annexations to the City of San Ramon, Central Contra Costa Sanitary District (CCCSD) and East Bay Municipal Utility District (EBMUD) and Corresponding Detachment from County Service Area (CSA) P-6*. The proposal includes annexation of 63.5± acres to the City of San Ramon, CCCSD and EBMUD and a corresponding detachment from CSA P-6. The area is located at the intersection of Bollinger Canyon Road and Crow Canyon Road in unincorporated San Ramon. The proposal will extend city, wastewater, and water services to facilitate the development of 43 single-family large lot homes, 18 accessory dwelling units, and related facilities on the Chang property.

One of LAFCO’s conditions of approval is that *the property owner provide LAFCO with a certified copy of a recorded grant of open space easement from the Chang property owner(s) to the City of San Ramon and/or other public agency or land trust that prohibits urban development and permanently preserves the existing open space and agricultural uses on 134± acres that are outside of the urban growth boundary and designated for open space and agricultural uses. Further, that the easement remains in effect in perpetuity, and that it is consistent with the conditions of approval in accordance with the Vesting Tentative Map 9485.*

Pursuant to Government Code §57001, if a Certificate of Completion is not filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless prior to the one-year expiration the Commission authorizes a time extension to complete the proceedings.

The landowners have experienced delays in coordinating the timing of the open space easement with the City of San Ramon and the resource agencies due to COVID and other challenges. In response to requests from the landowners, the Commission approved three extensions of time. The last extension was for an additional six months to July 9, 2021.

At the April 14, 2021 LAFCO meeting, the landowners provided a brief update to LAFCO and introduced their new partner - Toll Brothers, Inc. Hsientein Project Investment and Toll Brothers, Inc. are working together to complete the project.

On May 28, 2021, the landowners submitted a letter requesting a 12-month extension (attached). The letter summarizes the benefits of the development project, along with complications, complexities, and delays, including those associated with the pandemic. The letter also provides an update on following activities:

- Working with engineering firms to optimize the land plan
- Retained biological consultant to finalize regulatory permit application including a conservation easement for habitat mitigation purposes for resource agency consideration
- Retained legal counsel to prepare open space easement and commence negotiations with City
- Will coordinate with East Bay Regional Park District on potential future trail and public access trail easement

RECOMMENDATION: It is recommended that the Commission approve an extension of time to file the Certificate of Completion to July 9, 2022, as requested by the landowner in order to coordinate the timing of the open space easement with the City of San Ramon and the resource agencies.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachment - Letter from Miller Star Regalia

c: Vicky Chang, Hsientein Project Investment
Steve Savage, Toll Brothers, Inc.
Todd Callahan, Toll Brothers, Inc.
Cindy Yee, City of San Ramon
Nadia L. Costa, Miller Star Regalia
David Bowlby, The Bowlby Group. Inc.



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June 1, 2021

VIA E-MAIL

Ms. Lou Ann Texeira
Executive Officer
Contra Costa Local Agency Formation
Commission (LAFCo)
40 Muir Road, 1st Floor
Martinez, CA 94553

Re: Chang Property (Subdivision 9458, City of San Ramon): Progress Report
and Request for Extension

Dear Ms. Texeira:

On behalf of Hsientein Project Investment, which is the owner of the above-referenced property (Property Owner), our office respectfully requests that the Commission consider at its June 9, 2021 meeting a one-year extension of the reorganization approval granted by Contra Costa LAFCo on August 8, 2018 (see Reso. No. 18-06) involving various boundary changes consisting of annexation of approximately 63.5 acres (Annexation Area) to the City of San Ramon (City), Central Contra Costa Sanitary District (CCCSD), and East Bay Municipal Utility District (WBMUD), along with the related detachment from CSA P-6 (Chang Property Reorganization). The reasons for this request, as well as information in support thereof, are set forth more fully below.

Project Background

By way of brief background, the Property Owner owns a total of approximately 195 acres, located at the northwest corner of the Bollinger Canyon Road and Crow Canyon Road intersection, adjacent to but outside of the municipal boundaries of the City (APN: 208-240-039) (Project Site). The Annexation Area is within the respective spheres of influence (SOI) of the City, CCCSD, and EBMUD, as well as being within the City's Urban Growth Boundary (UGB) and the County's Urban Limit Line (ULL).

In October 2017, the City adopted an Initial Study/Mitigated Negative Declaration (IS/MND) and approved a Development Plan and Major Tentative Subdivision Map (TSM) for the Project Site (DP 16-300-002, MJ 16-900-001, IS 17-250-002) (Chang Project). In total, the Chang Project involves the subdivision and development of 43

single-family, large lot homes and 18 secondary dwelling units (SDU), along with the provision of street improvements, landscaping, utilities, a tot lot to serve Project residents, and other improvements. The foregoing development will be clustered on a small, approximately 16-acre portion of the Project Site; additionally, it involves the dedication and construction of an approximately 2-acre passive public park and a related trailhead to the adjacent open space uses. The vast majority of the Project Site will remain as open space for scenic, agricultural, future trails and habitat mitigation purposes.

The Chang Project is critical to the implementation of the City's land use vision for this area as reflected in the City's Northwest Specific Plan (NWSP), which sets forth a development program that incorporates a variety of residential neighborhoods with community open spaces and facilities, and provides for the enhancement of wildlife and riparian habitats. Development of the Chang Project (together with the one other key property (Faria) within the NWSP) has been envisioned by the NWSP with the goal of creating a balanced community composed of public facilities, open space, and residential neighborhoods.

Of particular relevance here, although not required under CEQA or any other applicable laws, the Property Owner voluntarily agreed to record an Open Space Easement for approximately 134 acres of the Project Site (shown as Parcel G on the TSM) in favor of the City, for the purpose of ensuring these lands remain as open space to be used in perpetuity for non-urban uses only (e.g., agricultural/grazing, habitat mitigation, trail and scenic uses) (Open Space Easement). In addition, the Property Owner also voluntarily agreed to offer to dedicate a public access trail easement to the East Bay Regional Park District (EBRPD) for a future public trail (extending from other open space lands within the Project Site through the Open Space Easement area). These community benefits were ultimately reflected in the conditions of approval imposed by the City on the Project's TSM.

Following the initial City approvals in Fall 2017, in June 2018, the City adopted a resolution initiating LAFCo proceedings. And in August 2018, the Commission approved the Chang Property Reorganization. As a condition to this approval, the Commission required that the Property Owner provide LAFCo with a certified copy of the recorded Open Space Easement.

Progress Report and Request for Extension

Subsequent to the City and LAFCo approvals that took place in 2017 and 2018, the Property Owner has continued to work diligently and in good faith to perfect its entitlements and approvals for the Chang Property so that the Chang Project — and the City's land use vision related thereto as reflected in the NWSP — can be implemented.

These steps include, among others, the following:

- * Working with civil and geotechnical engineering firms to refine certain infrastructure components in terms of layout and the further optimization of the land plan;
- * Retaining a biological consulting firm to prepare a regulatory permit application package, including the preparation of a draft Conservation Easement for habitat mitigation purposes (Conservation Easement) for resource agency consideration; and
- * Retaining legal counsel to commence the preparation of the draft Open Space Easement, as required by conditions imposed on the approvals obtained from the City and the Commission.

Specifically with respect to the Open Space Easement, while the Property Owner and its team commenced the preparation of same, its language needed to be coordinated with the preparation of the related — albeit distinct — Conservation Easement. This is to ensure that nothing in the Open Space Easement created delay, potential inconsistencies or general consternation from the resource agencies' perspective or otherwise impaired the ability to obtain the required regulatory permits. These discussions were further impacted by the above-referenced refinements to the infrastructure layout and land plan, and the need to ensure these adjustments were finalized before submitting a formal regulatory permit application.

As the Commission can imagine, this type of coordination has timing implications, which ultimately resulted in delay in moving the Chang Project forward. Moreover, as the Commission is well aware, other factors have come into play that have triggered further delay in this process, including, among others, the COVID-19 pandemic.

Unfortunately, these complicated economic, social, regulatory and market-driven factors — and the substantial uncertainties and disruption that have ensued — have necessitated requests to extend the City and LAFCo approvals on several occasions, including an extension of the TSM as well as several extensions granted by the Commission with respect to the Chang Property Reorganization.

However, as the economy and market stabilize and the COVID situation improves, the Property Owner is pleased to confirm with the Commission that it is well-positioned to continue its diligent and good faith efforts to obtain the remaining entitlements and permits to enable the implementation of the Chang Project and the vision reflected in the City's NWSP. Specifically, the Property Owner:

- * Has re-engaged legal counsel, who has prepared a draft Open Space Easement and has been directed to commence and coordinate negotiations with the City for its consideration;
- * Is directing its biological consulting firm to finalize the regulatory permit package for submittal and to coordinate, as appropriate, the preparation of the Conservation Easement with the Open Space Easement to ensure all relevant

public agencies have reviewed and confirmed relevant provisions are acceptable;
and

* Is committed to reaching out to EBRPD to re-initiate discussions on its preferred alignment for the potential future trail and to commence negotiations relating to this public access trail easement.

In conclusion, the Property Owner has spent years of time and substantial monies to secure land use entitlements, permits and approvals necessary to develop the Chang Project, which will help implement the City's vision as reflected in the NWSP and bring numerous benefits to the community, including, among other things, high-quality housing (including affordable units); a public park; trail connections; and the permanent protection and preservation of significant amounts of land for open space, agricultural and other non-urban uses.

The Commission's approval of the Chang Property Reorganization furthers these objectives as well as the purposes of LAFCo law; is consistent with the spheres of influence of the affected agencies; and helps to implement the long-term planning goals of the City and the County for the Project Site and vicinity.

We are hopeful that the Commission will take into consideration the numerous, complex factors involved in obtaining the necessary land use entitlements, approvals and permits to bring the Chang Project to fruition and grant the requested one-year extension to allow the Property Owner to continue to diligently pursue this laudable goal.

If you have any questions regarding the foregoing, please do not hesitate to contact me to discuss further.

Very truly yours,

MILLER STARR REGALIA



Nadia L. Costa

NLC:/sls

cc: Cindy Yee, City of San Ramon
Vicky Chang
Eric Chen
Rikkie Ren
David Bowlby