



Legislation Text

File #: 18-0320, **Version:** 2

Recommendation to declare ordinance approving a First Amendment to the Riverwalk Development Agreement in substantially the same form as attached; and authorizing and directing the City Manager to execute the first amendment with Riverwalk 131 Group, LLC, read and adopted as read. (District 8)

On November 17, 2015, the City Council approved a new 131-home private residential community of detached single-family homes with a recreation center and pocket park (together known as Riverwalk, now re-named to Riverdale) located at 4747 Daisy Avenue at the site of the former Will J. Reid Boy Scout Camp (Attachment A - Location Map). The City Council's approval included an Ordinance authorizing the City Manager to execute a Development Agreement (DA) with the developer. On December 17, 2015, the City of Long Beach (City) and the Long Beach Project Owner, LLC, and DEM Investment Company, LLC, entered into this Development Agreement (Attachment B - Development Agreement dated December 17, 2015). In a subsequent transfer of rights, the responsibility of the project was given to the Riverwalk 131 Group, LLC, per an Assignment and Assumption Agreement dated February 9, 2017. The DA includes provisions to:

- Provide various off-site and traffic improvements, including timing and performance standards;
- Provide payment of impact fees upon development at certain thresholds;
- Improve general infrastructure;
- Submit performance bonds tied to specific phases of development;
- Provide traffic mitigation funds; and,
- Conduct annual reports to determine compliance with the DA.

One of the most significant required off-site improvements is the construction of C. Molina Park (Molina Park), which will be a new dedicated City park, located at 4951 Oregon Avenue (approximately 900-feet north of the Riverdale development project, at the corner of Oregon Avenue and Del Amo Boulevard). The current DA requires completion of Molina Park by the developer prior to issuance of the 33rd certificate of occupancy for homes in the Riverdale project. The DA also requires that Molina Park be accepted for maintenance by the City prior to the issuance of the 67th certificate of occupancy for the Riverdale project.

The Riverdale project currently is under construction, progressing in phases of 10 to 20 homes per phase. At the time of writing of this report, permits have been issued for the first 48 homes (phases 1-4), with an additional 19 pending imminent issuance (phase 5), and 17

submitted for plan check (phase 6), for a total of 84 out of the 131 homes currently in process. Due to construction timing factors and constraints, the home construction has outpaced construction progress of Molina Park. The developer requests an amendment to the timing provisions of the DA, to eliminate their risk of noncompliance with the terms of the DA, or having completed homes that cannot receive certificates of occupancy and be occupied by their buyers. The requested amendment will change the park's completion timing requirement from prior to the 33rd certificate of occupancy to prior to the 49th certificate of occupancy, allowing completion, sale, and occupancy of the first four phases of homebuilding (48 homes) prior to park completion. The amendment will also halt City building inspections at rough framing after the 48th home until the park is completed, meaning that, while building permits for additional homes may continue to be issued, construction will not be allowed to progress past the point of rough framing (no wall or roof covering allowed). At the time of writing of this report, building permits have been issued for the first 48 homes, and the first 10 homes have received their final building inspections, with issuance of certificates of occupancy imminent. It is estimated that all of the first 48 homes will be ready for certificates of occupancy in the next two months, possibly prior to completion of the park.

The requested amendment will also change the park acceptance timing requirement in the DA. "Park acceptance" is when the City accepts the park for maintenance and operation, after all post-construction adjustments, corrections, and fixes have been implemented, and the park officially becomes a City park. Currently, set prior to issuance of the 67th certificate of occupancy, the DA amendment will change this requirement to halt building permit issuance after the 117th home until the park is accepted by the City for maintenance. This will allow building permit issuance and certificate of occupancy issuance to continue after the park is completed but not accepted, up to the 117th home, which encompasses the first eight phases of construction. The final ninth phase, which includes 14 homes making the total of 131, will not be issued any building permits until the park is accepted by the City.

The DA also currently requires the improvement and incorporation into Molina Park of a park-adjacent strip of land owned by the County of Los Angeles, abutting the Dominguez Gap Wetlands. This strip of land is improved and maintained by the County of Los Angeles. The City's Department of Parks, Recreation, and Marine, together with the Department of Public Works, no longer wish for it to be incorporated into Molina Park due to maintenance requirements that would be imposed by the County of Los Angeles. The proposed amendment will remove the requirement to include this County-owned strip of land into Molina Park.

Staff has reviewed the proposed amendments with the City Attorney's Office to ensure they are in conformance with the DA as a whole, are legally sound, and protect the best interests of the City (Exhibit A to Ordinance - First Amendment to Development Agreement). On March 15, 2018, the Planning Commission held a public hearing on this item, and recommended

that the City Council adopt the Ordinance amending the DA, and authorize the City Manager to execute the proposed amendments to the DA.

In accordance with the requirements of Chapter 21.29 (Development Agreements) of the Zoning Regulations, which requires noticing pursuant to Section 65867 of the California Government Code for development agreements, a total of 987 notices of public hearing were distributed on April 2, 2018, and a newspaper notice was published on April 2, 2018, in the local newspaper of record. As of the preparation of this report, no comments or written testimony have been received.

The amendment to the DA will not materially change the approved project, or its effects upon the environment, which were analyzed as part of the previously-certified Riverwalk Residential Development Project EIR (SCH #2014091011). The proposed amendment to the Development Agreement will not result in any new significant impacts. The DA amendment increases the possible number of Riverwalk/Riverdale project homes that are issued certificates of occupancy prior to completion and acceptance of Molina Park. However, the project EIR analyzed the construction of all 131 homes as occurring at once, not in phases relative to Molina Park construction. The EIR found the increase in residential population as a result of the project, and the possible increase in use of neighborhood parks and other facilities, would not have a significant impact upon the City's park facilities and infrastructure, nor would the project change the City's parkland-to-population ratio. The EIR found that no need for new or expanded park facilities would occur, even without the construction of Molina Park, and that all park-related impacts are less than significant. The 131-home development includes construction of a small pocket park and a recreation center, and the EIR specifically identifies construction of Molina Park as a separate project, with its own separate CEQA analysis, and makes clear that the construction of Molina Park is not necessary as a mitigation of any project impacts. As such, this DA amendment is completely within the scope of the project analyzed by the EIR, and the DA amendment will have no impact upon the environment.

This matter was reviewed by Assistant City Attorney Michael J. Mais on March 27, 2018 and by Budget Analysis Officer Julissa José-Murray on March 29, 2018.

City Council action is requested on April 17, 2018. Pursuant to Section 21.25.103 of the Zoning Regulations, this request must be presented to the City Council within 60 days of positive action by the Planning Commission, which took place on March 15, 2018.

Although there may be cost-savings due to the delay of the transfer of acceptance for maintenance for the park, the proposed amendment will have limited fiscal impact on the City. There is no local job impact associated with this recommendation.

Approve recommendation.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING A FIRST AMENDMENT TO THE RIVERWALK DEVELOPMENT AGREEMENT IN SUBSTANTIALLY THE SAME FORM AS ATTACHED; AND AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE THE FIRST AMENDMENT WITH RIVERWALK 131 GROUP, LLC

TOM MODICA
INTERIM DIRECTOR OF DEVELOPMENT SERVICES

APPROVED:

PATRICK H. WEST
CITY MANAGER