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REPORT NO. R 17 - 0 3 6 5
OCT 2 5 2017

REPORT RE:

**DRAFT ORDINANCE AUTHORIZING THE ADOPTION OF
A SECOND AMENDMENT TO THE 2008 AMENDED AND RESTATED
DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LOS ANGELES
AND PORTER RANCH DEVELOPMENT COMPANY**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 15-0104
CPC-1990-439-DA-M1

Honorable Members:

On September 29, 2017, the City Planning Commission recommended that the City Council adopt a second amendment to the 2008 Amended and Restated Development Agreement between Porter Ranch Development Company, a California joint venture (the Developer), and the City (the Amended Development Agreement). On October 24, 2017, the Planning and Land Use Management (PLUM) Committee took an action requesting that our Office prepare and present an ordinance authorizing the execution of this Amended Development Agreement.

Pursuant to that October 24, 2017, request, this Office has prepared and now transmits for your consideration a draft ordinance, approved as to form and legality, and the Amended Development Agreement in a form we can also approve.

Background

The City and Developer entered into a development agreement dated February 18, 1992 (the Original Agreement). The Original Agreement was adopted along with the Porter Ranch Land Use/Transportation Specific Plan (Ordinance No. 166,068). The Original Development Agreement covered most of the area of the Specific Plan, which encompassed approximately 1,300 acres of a master planned community in the northwest portion of the San Fernando Valley. The Original Development Agreement granted Developer a vested right to construct the development authorized by the Specific Plan for a 20-year time period, extending through February 2012.

On May 29, 2001, the Original Development Agreement was amended to extend the term of the Original Agreement to December 31, 2015, through the adoption of the First Amended and Restated Development Agreement after adoption of Ordinance No. 173873. In 2008, a further amendment occurred through the adoption of the 2008 Amended and Restated Development Agreement after adoption of Ordinance No. 180084 on July 25, 2008 (the Development Agreement). This amendment tracked amendments made to the Specific Plan.

On November 11, 2015, the City and Porter Ranch entered into that certain Amendment to Development Agreement dated November 30, 2015, and recorded on December 7, 2015, in the Official Records of Los Angeles County, California as Instrument No. 2015-1531116 after adoption by the City Council of Ordinance No. 183579, in order to extend the term of the Development Agreement to December 31, 2017.

At the present time, approximately 70% of the Development Agreement area has been developed with a mixture of single-family homes, townhouses, attached and detached condominiums, retail shopping centers, office space, senior housing, a church campus, several parks, a public school, a fire station and a system of equestrian trails and bikeways. A number of factors have delayed completion of the full buildout of the Development Agreement area.

The term of the Development Agreement is set to expire on December 31, 2017. The City and Developer desire through this Amended Development Agreement to extend the term of the Development Agreement an additional four years so that it will expire on December 31, 2021. Developer requires the continued certainty of its vested development rights for a sufficient time period to allow it to complete the authorized commercial and residential development and provide the remaining public benefits. No other changes to the Development Agreement or the underlying planning and zoning approvals are being sought in connection with the requested four-year extension.

Although many of the public benefits required by the Development Agreement have already been fulfilled, Developer will still be required to provide the following during the four-year extension:

- Developer shall fully develop a 50-acre park which was previously dedicated to the City should it complete the buildout of a number of certain residential units;
- Utilities shall be grounded for the buildout of certain additional tracts; and
- Developer shall provide an Equestrian Staging Area.

City Planning Commission Action and Findings

The September 29, 2017, City Planning Commission action included the recommended approval of an amendment to the equestrian center staging area language in the Development Agreement. However, the PLUM Committee has held action on the amendment to the equestrian center language until a later date. For that reason, pursuant to Charter Section 559, on October 24, 2017, the Director of Planning, on behalf of the City Planning Commission, disapproved this version of the Amended Development Agreement and recommended that the City Council not adopt it. Should the City Council adopt the proposed ordinance, it may comply with the provisions of Charter Section 558 and the Government Code by adopting the findings prepared by the Department of City Planning that are contained in the Planning Department staff report to the City Planning Commission, at pages F-1 through F-2, or by making its own findings.

California Environmental Quality Act (CEQA)

On September 29, 2017, the City Planning Commission took the following action:

Recommended that the City Council find, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in EIR No. 88-0026(SP)(ZC)(PA) SCH No. 88050420 certified on July 10, 1990; and pursuant to CEQA Guidelines 15162 and 15164, and as supported by Addendums dated April 2000, September 2000, October 2006, and August 16, 2016, no major revisions are required to the EIR and no subsequent, EIR, negative declaration, or addendum is required for approval of the project.

Government Code Requirements for Notice and Hearing

Before taking action on either the draft ordinance or the Amended Development Agreement, the City must comply with the provisions of Government Code Sections 65867, 65090 and 65091. Those sections require, among other things, notice and a public hearing. In addition, the City's development agreement procedures state that the City Council shall not take any action on any development agreement prior to the expiration of a 24-day notice. However, the City Council previously acted to waive this 24-day requirement notice for this Development Agreement.

Recommended Actions

If the City Council wishes to approve the proposed ordinance and Amended Development Agreement, it must:

- (1) Find, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in EIR No. 88-0026(SP)(ZC)(PA) SCH No. 88050420 certified on July 10, 1990; and pursuant to CEQA Guidelines 15162 and 15164, and as supported by Addendums dated April 2000, September 2000, October 2006, and August 16, 2016, no major revisions are required to the EIR and no subsequent, EIR, negative declaration, or addendum is required for approval of the Amended Development Agreement; and
- (2) Adopt the enclosed draft ordinance authorizing the execution of the Amended Development Agreement.

Council Rule 38 Referral

Pursuant to Council Rule 38, copies of the draft ordinance and the Amended Development Agreement were sent to the Department of Recreation and Parks with a request that all comments, if any, be directed to your Honorable Body or your Committees at the time this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Laura Cadogan Hurd at (213) 978-8177. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Very truly yours,

MICHAEL N. FUERER, City Attorney

By 
DAVID MICHAELSON
Chief Assistant City Attorney

DM/LCH:pj
Transmittal