

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
January 13, 2010
Agenda Item No. 12

TO: BOARD OF SUPERVISORS

FROM: DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT

SUBJECT: NATOMAS JOINT VISION PROGRESS REPORT

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Overview

The Natomas Joint Vision (NJV) is a collaborative planning effort between the City and County of Sacramento and representatives of the Natomas Landowners' Group to develop a vision as anticipated in the 2002 NJV Memorandum of Understanding (MOU) between the City and County. The purpose of today's item is to provide a report on the activities undertaken in the project's Phase III work and to take actions related to a new Phase IV effort.

Phase IV will include preparing to initiate a new or amended Habitat Conservation Plan in order to achieve the objectives identified in the 2002 MOU. This includes coordinating with the regulatory agencies given their essential role in an HCP as well as preparing a work plan that includes appropriate public and/or committee processes. Also, staff recommends initiating proceedings, via a resolution, for a Special Planning Area (SPA) zone to facilitate the consideration of regulations that could implement the vision as stated in the 2002 MOU for the unincorporated portion of the County that includes protecting existing and future airport operations, and permanent preservation of open space for habitat, agriculture, or other purposes. These principles take into consideration the unique environmental and regulatory features of the unincorporated portion of the Natomas Basin.

Staff requests a continuance date to return with an amended funding agreement between the County of Sacramento and the Natomas Landowners Group for the Phase IV work and an amendment to the existing funding MOU with the City of Sacramento to provide for pass-through of funding from the Landowner Group to the City.

Recommendations

1. Initiate the process to begin the groundwork for a new or amended **Habitat Conservation Plan (HCP)**.
2. Adopt the attached resolution of intent to initiate proceedings for a **Special Planning Area zone** (Attachment 1).
3. **Continue** the item and direct staff to return with an amended funding agreement with the Natomas Landowner Group and an amended funding MOU with the City of Sacramento.

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Measures/Evaluation

The consideration of new urban uses in the Natomas Joint Vision Area will include the evaluation of the positive tax revenue generated from any new development. The use of funds received from the Natomas Landowners Group allows for reimbursement without negatively impacting the County's General Fund.

Fiscal Impact

Use of funds attained from a financial contribution reduces the financial impact to the County.

BACKGROUND:

The 2002 Natomas Joint Vision Memorandum of Understanding between the City and County of Sacramento established principles for collaborative planning. Key principles include:

- Protecting existing and future airport operations
- Permanent preservation of open space for habitat, agriculture, or other purposes
- Fair distribution of revenue / revenue sharing principles
- Urban development according to smart growth principles

On July 23, 2008, the Board directed staff to initiate a collaborative work plan, known as the Broad Visioning Process, to prepare a conceptual land use plan that incorporates fundamental principles of the Natomas Joint Vision Area. Recognizing the Joint Vision Area is an area of unique importance to the region, City and County staff and representatives of the Natomas Landowners' Group desire that land use planning for the Joint Vision Area proceed in a unified and comprehensive fashion, commencing with a visioning plan.

The goals of the Broad Visioning Process were to:

- Create a special and unique place
- Assure quality and consistency in development projects
- Capitalize on existing assets – airport, freeways, river, farmland
- Locate and employ exemplary cases of urban design complementing (and enhancing) habitat preservation

On September 24, 2008, the Board approved a funding agreement between the County and the Natomas Landowners' Group that formalized a financial contribution from the landowners for the continuation of County staff efforts in the Broad Visioning Process and the retention of consultants to assist in the development of a comprehensive strategy for the Joint Vision Area. The agreement recognizes the City of Sacramento as a participating agency in the collaborative planning process and on November 5, 2008, the Board approved a Memorandum of Understanding between the County and the City of Sacramento regarding the reimbursement of City staff and legal consultant costs.

On April 22, 2009, the Board concluded Phase II of the Natomas Joint Vision and directed County staff to continue to work cooperatively with the City and Owners' Group and associated stakeholders in (1) the preparation of a conservation strategy leading to the development of a

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new or amended habitat conservation plan and apply for any available grant funding, and (2) the application process leading to the submission of an application for a General Plan Amendment and Specific Plan for the Natomas Joint Vision Area, which are collectively described as “Technical Phase III”. During the Planning Commission and Board hearings on the Natomas Joint Vision held in April, 2009, the Sacramento County Airport System gave presentations on the potential hazard wildlife implications of the conceptual alternatives developed during the Broad Visioning process.

On May 27, 2009, the Board amended the Funding Agreement and authorized the Planning Department to sign a Memorandum of Understanding with the City of Sacramento for reimbursement, and authorized the Planning Department to enter into a contract with an urban design specialist for support of Phase III.

On October 28, 2009, the Board reaffirmed the cooperative work between the City, County, and landowners in the preparation of a conservation strategy leading to the development of a new or amended habitat conservation plan.

DISCUSSION:

- A. Phase III Results: Cooperative planning with County and City staff, and landowners and stakeholders continued in Phase III. Phase III included listening sessions by staff of the City of Sacramento and County of Sacramento along with EDAW, the land planning consultant, with owners of non-urban properties that are also not a part of the landowner group. This Phase also included work by a number of consultants under contract with the Natomas Landowner Group on scientific studies that could form a basis for a conservation strategy. This conservation strategy would be in essence a blueprint on how best to pursue solutions to habitat challenges in the Joint Vision area. These scientific studies are being undertaken to evaluate the habitat opportunities and issues associated with the urbanization in the unincorporated Sacramento County portion of the Natomas Basin in the attempt to emphasize habitat values versus land plan. The information is intended to form the foundation for the development of a new or amended habitat conservation plan (HCP). This background effort is nearing completion, and the next logical step is to begin a process to initiate a HCP.
- B. HCP Process Initiation: Habitat Conservation Plans provide regional permitting of species impacts through the Endangered Species Act. Potential take of species are authorized in exchange for adequate minimization and mitigation of impacts. The Natomas Joint Vision area is currently covered by the existing Natomas Basin HCP to which Sacramento County is not a signatory. In order to achieve the objectives identified in the 2002 Natomas Joint Vision MOU, it is understood that either a new or amended HCP must be created and adopted. With the background work of Phase III nearing completion, the next step is to establish the groundwork to begin an HCP process. This groundwork includes coordinating with regulatory agencies given their essential role in ultimately approving both the HCP and the associated incidental take permit. Given the FAA requirement that the County ensure compatible land uses within the separation distances prescribed in FAA policies, it is essential that such coordination include the Western Pacific Region of the FAA. As part of Phase IV, a preliminary work program will be developed to determine key steps in the process. The HCP process includes significant participation by the public and appropriate regulatory agencies, including the use of committees. Participants typically include local jurisdictions, State and Federal agencies, stakeholders such as developers, environmentalists, agricultural interests, landowners, and the public. The process may include steering

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committees, biological committees, economic committees, technical advisory committees, and science advisors. The overall HCP planning process generally includes assembling information, preparing independent science advisor reports, developing conservation strategies, preparing a draft plan, preparing an EIS/EIR, and completing a final plan. Plan components typically include biological data, land use, impacts of incidental take, conservation strategies, monitoring and adaptive management, and implementation strategies, including funding mechanisms. It is expected once the initial groundwork is completed, including essential coordination with regulatory agencies, the public participation process can begin.

- C. Initiate Special Planning Area (SPA) Zoning Study: Planning staff recommends initiating proceedings, via resolution, for a Special Planning Area zone pursuant to Section 235-92 of the Sacramento County Zoning Code. The purpose of these proceedings would be to facilitate the consideration of regulations that could implement the vision anticipated in the 2002 MOU for the unincorporated portion of the County that includes protecting existing and future airport operations, and permanent preservation of open space for habitat, agriculture, or other purposes. These principles take into consideration the unique environmental and regulatory features of the unincorporated portion of the Natomas Basin. Planning staff would return to the Board in the future with an analysis as to whether an SPA is an appropriate land use mechanism to implement desired outcomes evolving from a habitat conservation plan. Creation of the special planning ordinance would include public outreach as the SPA zone would be required to include the following components: list of permitted uses; regulations and standards; legal description of the property covered by the SPA; and the reasons for establishing the SPA on any particular property. The Sacramento County Airport System requests that any SPA zone would reflect the County's obligation, as a sponsor of FAA grant-in-aid funds, to adhere to the FAA requirements regarding the proximity of incompatible land uses and potential hazardous wildlife attractants to Sacramento International Airport, and fully complies with FAA regulations, policies and grant assurances in a manner that protects aviation safety.
- D. Funding Agreements: It is expected that the landowner's group will submit a second amendment to the funding agreement for the Board of Supervisors approval between the County of Sacramento and the Natomas Landowners Group originally approved by the Board on September 24, 2008, and as amended on May 27, 2009. This agreement will provide funds to support staff and consultant assistance in the completion of the fourth phase. It is important to note that no promises or representations have been made, or will be made, express or implied, by the County as to the outcome of the Visioning Plan, and the use of landowner funds in no way influences the content of the final product. It is expected the Agreement will include information that outlines a work program and payment schedule. An amended agreement should be before your board in the near future. In addition, a separate Memorandum of Understanding (MOU) will be prepared and brought forward to the Board for adoption that will address the future collection and disbursement of reimbursement monies between the City and County.
- E. Sacramento County Airport System Interests: Staff of the Sacramento County Airport System (Airports) has emphasized to County Planning that land use designations for the preservation of agriculture, wildlife preserves, and open space can have potentially significant impacts on the ability of aircraft at Sacramento International Airport to operate in a safe manner. Given the substantial financial and physical presence of the Airport,

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participation and coordination among the Departments is essential. Therefore, Planning will continue to consult and coordinate with Airports and the FAA during the preparation of any Phase IV process and development of an approach to habitat conservation planning. In particular, Airports seeks assurances that County participation as a signatory to a new or amended HCP does not conflict with FAA requirements associated with hazardous wildlife management and does not have a long-term detrimental effect on mitigation requirements associated with buildout pursuant to the adopted Sacramento International Airport Master Plan.

CONCLUSION:

The Technical Phase III of the Natomas Joint Visioning process is nearing completion, and the County is in a position to proceed with Phase IV. Staff recommends this phase include a process to initiate a Habitat Conservation Plan wherein such process lays the groundwork for a formal public process. In addition, staff recommends initiating proceedings for a Special Planning Area zone to facilitate the consideration of regulations that could implement the vision anticipated in the 2002 MOU for the unincorporated portion of the County that includes protecting existing and future airport operations, and permanent preservation of open space for habitat, agriculture, or other purposes. As far as funding, an amended funding agreement will be prepared for the Board's approval between the County of Sacramento and the Natomas Landowners Group and brought to the Board in the near future. In addition, a separate MOU between the City and County will be prepared and brought forward to the Board for adoption addressing the future collection and disbursement of reimbursement monies. It is noted that due to scheduling constraints, including holiday schedules, a two-by-two discussion between the elected officials of the City and County could not be held prior to the Board meeting. A letter, however, was sent in late December 2009 from the County Executive to the City Manager providing information as to the actions being recommended to the Board for January 13, 2010.

Finally, staff requests the Board continue to support the cooperative planning effort with the City, landowner representatives, the appropriate regulatory agencies, and associated stakeholder groups to initiate a work program for Phase IV activities.

ATTACHMENTS:

A. Resolution of Intent to Initiate SPA Zoning Study

This report was prepared on January 6, 2010.