Key Elements of the Middle Green Valley Specific Plan

The following concepts serve as key elements to the Specific Plan:

Green Valley Conservancy (Sect. 4.2.1): The Plan calls for the establishment of a conservancy, which oversees the management and monitoring of conservation easements encompassing the approximately 1,490 acres of agricultural lands, pastures, and natural areas. The conservancy is an objective organization which focuses its attention on education, resource and open space preservation, community connectivity, and agricultural awareness. The conservancy has three primary areas of responsibility:

1. Assisting and encouraging the farms in Green Valley and where appropriate helping to manage agricultural operations and public education activities;
2. Overseeing the management, stewardship, enhancement, restoration and access easements for conservation lands including oak woodlands, riparian areas, pastures, rangelands, and agricultural lands and assisting landowners to identify and interface with an established, qualified, accredited land trust to hold title to the conservation easements;
3. Managing and developing a design review process for the community that is consistent with Specific Plan goals and principles and that anticipates the review process conducted by the County. This design review process is in addition to all applicable County review processes.

The conservancy will utilize an Agricultural Business Plan to guide the agricultural operations and management of all agricultural lands placed under conservation easements. It will utilize a Resource Management Plan to provide the framework and performance standards for managing the resources. The conservancy has set up a comprehensive design review process utilizing the Neighborhood Design Code (Specific Plan, Ch. 5).

Current Status of Conservancy
As a show of good faith on the part of the landowners, they took it upon themselves to legally form the Conservancy soon after the Specific Plan was originally approved in 2010. They felt that the preservation of the valley's agriculture is of utmost importance and the sooner that the Conservancy could get up and running, the better. The effort was led by the landowners and does not pose a conflict with the court's direction to the County to set aside its previous approvals.

The Green Valley Agricultural Conservancy has been successfully operating, providing a range of benefits to the local community, such as the "Green Valley Certified Farmers Market – Totally Local" (www.gvtotallylocal.org). As provided for in the Specific Plan, the Conservancy has adopted and committed to implement the Land Trust Standards and Practices of the Land Trust Alliance, a national conservation organization which publishes ethical and technical guidelines for the responsible operation of a land trust. When the Conservancy applied to the Internal Revenue Service for tax exempt status as a 501(c)(3) organization, the Internal Revenue Service determined at the time that the organization qualified for tax exempt status as a 501(c)(4) organization. While presently operating as a 501(c)(4), the Conservancy has a number of options available to it under Internal Revenue Service rules in order to pursue establishing 501(c)(3) status in the future, a step which nonprofits that originate as 501(c)(4) organizations sometimes take. The Specific Plan calls for the Conservancy to be a 501(c)(3) organization at a later stage in the overall process; prior to approval of the first final subdivision map on the property. The Conservancy does not need to be recognized as 501(c)(3) status at the time of Specific Plan approval.

Though the conservancy will ultimately be eligible for grants and donations, its primary funding source will be through "transfer fees." As final subdivision maps are recorded within Middle Green Valley, 1% of the sale price of undeveloped parcels will transfer to the conservancy. Once developed, a one-time 3% of the sale price on the developed parcel will be transferred to the conservancy. Thereafter, 1% of the price for each resale will go to the conservancy. This revenue will fund an endowment that will provide funds to cover operational aspects of the conservancy, as well as subsidize the cost and expense of the agricultural activity as needed. The Master DA and related Sales Participation Agreement provides the mechanism to establish both the Conservancy and the transfer fees.

Transfer of Development Rights (TDR) Program (Section 4.2.3, page 4-18 of the Specific Plan): In general, the concept of traditional TDR programs is to serve as a land use regulatory tool where development rights can be severed from one parcel(s) and transferred or sold to other parcels. The parcels that give up their rights (sending areas) are then permanently restricted by easements and the parcels receiving the rights (receiving areas) are provided with a greater density for development. This technique is generally used to relocate development away from sensitive natural resource areas, important farmland, historic resources, or areas within viewsheds. Traditional TDR programs are market-based and rely on the negotiation of private, one-by-one transactions for eventual implementation. The TDR Program, as implemented through the Specific Plan and "Sales Participation Agreement" for MGV, builds on these traditional TDR tools, but, as described below, has been carefully designed to avoid some of the traditional difficulties associated with TDR Programs to help ensure its success and the implementation of the Specific Plan.

For the Specific Plan, a constraints map was generated which identified the location of areas in which development should be avoided as much as possible. These areas include: flood zone, dam inundation areas, areas within viewsheds, creek corridors, steep slopes, prime agricultural areas, etc. These sensitive areas became sending areas, while lands outside these sensitive areas became receiving areas. Primary areas for development are located and clustered in the receiving areas, encouraging more of a neighborhood type of development and land use pattern. Prior to the recordation of any subdivision maps or approval of building permits for new development under the Specific Plan, a conservation easement will be required to be recorded over the corresponding sending areas. At build-out, over 1,400 acres of open lands, sensitive habitat, and agricultural areas will have been permanently preserved under easements.

The number of development rights (credits) that each property owner has was calculated based on a total of 400 new residential units allowed pursuant to the General Plan. A landowner's percentage of new units is strictly proportional to the ratio of land they own in the study area. For example, if a landowner owns 40 acres of the 1,905 acre study area (2%), he would be credited with 2% of the 400 units, or approximately 8 units. This ratio methodology applies to all sending and receiving parcels to determine how many credits they are entitled to for their existing lands, regardless of market value of the underlying land. From the inception of the MGV Specific Plan process, each acre has been considered equally valuable from a policy perspective to implement the goals and policies of the General Plan. Pursuant to direction from the General Plan, participation in the TDR program is voluntary and incentive based. For those who choose not to participate in the TDR program, a smaller number of units are credited to the land owner based on the number of units allowed under the existing General Plan and zoning. Most non-participating land owners would receive one unit per 20 acres of land.

As a result of the constraints and opportunities analysis in the Specific Plan, most property owners within the Specific Plan area "send" and "receive" within their own property. Most landowners can essentially cluster the allowed development on a portion of their property and will be required to record a conservation easement on the remainder as part of the normal development process. In the end, only 37 residential unit "credits" created by the Specific Plan were allocated to properties that cannot accommodate the entire allocation. These excess credits are proposed to be assigned from one property owner's land ("sending property") to another's "receiving property" through the Sales Participation Agreement. To participate in the TDR program , landowners are being required to be a party to the Master Development Agreement (MDA) (and the Sales Participation Agreement that is incorporated into the MDA) which provides the details and implementation procedures for the TDR program. The MDA is described further below and a draft has previously been sent to the Planning Commission.

The Sales Participation Agreement will be executed and recorded concurrent with the Master Development Agreement. The proposed Sales Participation Agreement works, essentially, as a contract between the sending properties and the three receiving properties whereby the sending properties are agreeing to allow the excess credits allocated through the Specific Plan to be reallocated to the receiving properties in exchange for compensation. The compensation will be based on the "Market Value" established by a reputable, experienced local appraiser of each residential unit at the time a receiving property is sold. When a receiving property is sold in the future to a bona fide third party purchaser, the appraiser will determine the current market value of a residential unit, based on the zoning established by the Specific Plan, Master DA and Final EIR. The appraisal will be directed to exclude the residual value of the land, as well as any value based on subsequent entitlements (such as subdivision mapping, design review, state and federal permits, etc.). At closing on all or a portion of each of the three receiving properties, each sending owner will receive a payment based on the number of unit credits they are sending, multiplied by the Market Value of a unit established by the appraiser, minus a pro rata share of the standard closing costs and the cost of the appraisal. In order to receive any payment under the agreement, the sending owner must submit evidence that a conservation easement acceptable to the County has been recorded against the open space identified in the Specific Plan.

Neighborhood Design Code: (Chapter 5 of the Specific Plan) The Neighborhood Design Code (NDC) provides Development Standards, Design Guidelines, and the design review process which will guide and direct the development of the neighborhood areas. The development plan focuses on the primary goal of preserving rural character while defining appropriate development patterns. The patterns draw from settlement traditions of small California towns.

The first important aspect of the NDC is the introduction of Transect Zones, which provide for six different zones ranging from the most natural and passive of areas (Conservation area) to the more intensely developed areas (Neighborhood Center). Different Building Types are assigned to each Transect Zone, consistent with the nature of the permitted development in those areas. The Building Types include: Agriculture/Community, Courtyard, Bungalow, Farmstead, Meadow, Compound, and Secondary Units/Ancillary Structures. Each Type includes its own placement, form, and other development standards. The Building Types and Standards are described in Section 5.4 of the Specific Plan.

Sustainability: Where the intended design and build-out of the Specific Plan area are that of a small rural California town, the actual design concepts and integration of the land uses is more modern in nature. Many of the elements incorporated into the Plan are typically associated with sustainable types of development, please refer to the Specific Plan, Appendix B – Sustainable Design Index for a full list of sustainability requirements and programs. Some highlights include:

- Increased preservation of active agriculture through the use of conservation easements, clustering of development, and establishment and funding for an agricultural conservancy.

- Incorporation of agri-tourism uses and focus on locally produced food

- Providing a mixture of land uses (residential, community service, commercial, agri-tourism, recreation, etc.), creating a whole community; encouraging pedestrian oriented neighborhoods.

- New and remodel construction to exceed Title 24 state energy efficiency standards by 20%.

- LEED certified and participation in the California Energy Commission's New Solar Homes Partnership for residential development exceeding six units.

- Use of water efficient appliances, Energy Star appliances and lighting, and use of recycled and renewable building materials to the greatest extent possible.

- Water efficient landscaping and reuse of water for landscaping/toilets; approximately a 40% decrease in water use compared to more typical developments in the County.

- Use of sustainable stormwater approaches (Section 3.3.3 in Specific Plan) which includes minimizing paved areas, increasing infiltration opportunities, utilizing pervious solutions where feasible and handling water at the source.

Infrastructure and Financing: (Chapter 4 of the Specific Plan) The General Plan provides specific implementation direction relating to the Middle Green Valley Special Study Area to secure water and wastewater service for the development in a cooperative effort between the County, City of Fairfield, property owners and residents. As such, the originally proposed Plan anticipated connecting to the City of Fairfield for domestic water supply and the Fairfield-Suisun Sewer District for sewer service or an onsite package treatment facility. However, as discussed earlier in this report, the option of utilizing groundwater has been further analyzed, as has the option of utilizing raw SID water (treated by the City of Fairfield) to serve the development. The concept of using SID water is now the County's preferred alternative for supplying potable water to Middle Green Valley.

Approximately 9 miles each of both sewer line and water line will need to be constructed to serve the future development. To maintain future infrastructure, a County Service Area (CSA) will be established and will facilitate the eventual formation of a Community Facilities District (CFD). The CFD will serve as the primary financing tool to fund the necessary infrastructure improvements. Construction costs for the water and sewer infrastructure as well as new roads is estimated at approximately $20-25 million. The likely scenario for funding is for the CFD to issue infrastructure bonds to generate the initial financing for the improvements. The CFD will then assess property owners for the reimbursement of those bonds and to provide for ongoing maintenance.