



City of Laguna Hills
City Council/Planning Agency
Staff Report

DATE: December 14, 2021

TO: Mayor/Chair and Council/Agency Members

FROM: Kenneth H. Rosenfield P.E.
 Interim City Manager/Director of Public Services

ISSUE: Meeting Cancellation and Continuance of Hearing/Meeting Regarding the Proposed Village at Laguna Hills Project and Proposed Development Agreement (Case No. USE-0010-2019), a Request by MGP Fund X Laguna Hills, LLC to Modify the Previously Approved Five Lagunas Project to Continue to Redevelop the Former Laguna Hills Mall Site Located at 24155 Laguna Hills Mall, Including Adoption of the Fifth Addendum to the City of Laguna Hills General Plan Program Environmental Impact Report as Previously Addended (State Clearinghouse No. 20080811100) and Approval of Site Development Permit, Master Sign Program, Conditional Use Permits, Parking Use Permit, Vesting Tentative Tract Map, Precise Plan and Development Agreement

RECOMMENDATION: That the City Council/Planning Agency: 1) Cancel and continue the continued hearing/meeting regarding the proposed The Village at Laguna Hills Project, previously scheduled for December 14, 2021, to a Joint Meeting of the City Council/Planning Agency at the Regular Meeting of the City Council scheduled for February 8, 2022, at 7:00 p.m. (or as soon thereafter as possible), in the City Council Chamber, or at such earlier time and date as may be determined appropriate by the Interim City Manager; and 2) Direct the City Clerk to provide notice of the continued hearing/meeting as required by law.

BACKGROUND:

On June 29, 2021, the City Council/Planning Agency held a continued joint public hearing regarding the proposed The Village at Laguna Hills Project and related proposed Development Agreement (the "Project"). The public hearing concluded and was closed

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at the June 29th meeting. The public hearing is now closed. After closing the public hearing, the City Council voted to direct the Interim City Manager to continue negotiating the terms of the proposed Development Agreement with the applicant/developer, MGP Fund X Laguna Hills, LLC (MGP), consistent with the City Council/Planning Agency Member comments and feedback given at the meeting and to continue the joint meeting to December 14, 2021. The City Council subsequently retained special counsel to assist in negotiation of the proposed Development Agreement and, thereafter, appointed an ad hoc subcommittee to work with special counsel in doing so. Discussions between City staff, special counsel, the ad hoc committee, and MGP regarding proposed terms and conditions of the required Development Agreement are progressing and are nearing completion, but additional time is needed to conclude the negotiations and to prepare a revised proposed Development Agreement for the City Council's consideration. As such, neither City staff nor MGP are prepared to proceed with the continued hearing/meeting at this time.

Because it would be premature for the City Council/Planning Agency to further discuss or act on the proposed Project while mutually cooperative and productive development agreement negotiations remain ongoing, the continued hearing/meeting previously scheduled for December 14, 2021, must be canceled.

Since the continued hearing/meeting previously scheduled for December 14, 2021, must now be cancelled, it is necessary for the City Council/Planning Agency to continue the continued hearing/meeting to a new date and time. Staff and special counsel anticipate that a revised proposed Development Agreement will be ready for consideration by the City Council, without delay, upon completion of the negotiation process and redrafting of the proposed Development Agreement, by no later than the City Council's February 8, 2022, regular meeting.

Pursuant to State law, a city may not conduct more than five hearings/meetings in connection with the approval or disapproval of a proposed housing development project. Continued hearings count as one of the five hearings allowed. (Government Code Section 65905.5) Thus far, the City Council/Planning Agency has conducted a total of three hearings/meetings regarding the proposed The Village at Laguna Hills Project, which are as follows: 1st) April 27, 2021, 2nd) June 24, 2021 and 3rd) June 29, 2021. A letter from MGP's attorney, Mathew S. Gray, dated December 3, 2021, concurring with this brief continuance on behalf of MGP and stipulating that, to date, the City has conducted three out of the five hearings/meetings allowed by state law and that the

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recommended action to be taken on December 14, 2021, to cancel and continue the hearing/meeting will not count as one of the five meetings permitted by state law, is attached hereto.

ATTACHMENTS:

- Letter from MGP Attorney, Mathew S. Gray, Perkins Coie, Dated December 3, 2021



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December 3, 2021

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Re: Continuance of December 14, 2021, Hearing on the Proposed Village at Laguna Hills Project and Proposed Development Agreement

Mr. Simonian:

On behalf of our client, MGP Fund X Laguna Hills, LLC (“MGP”) we stipulate that there have been three hearings to date on the Village at Laguna Hills Project (“VLH”) pursuant to Government Code Section 65905.5(b)(2). The dates of those hearings were April 27, 2021, June 24, 2021, and June 29, 2021. We further stipulate that the continuance of the December 14, 2021, hearing date to February 8, 2021, does not constitute a hearing under Government Code Section 65905.5(b)(2), and finally, where authorized under State law, closed session meetings do not constitute hearings under the aforementioned provision.

The February 8, 2022, hearing will constitute the fourth hearing for VLH. We strongly urge the City to maintain this hearing date to avoid any further delay on the VLH project.

In the meantime, we will continue to coordinate with the City in good faith to complete a development agreement for the Council’s consideration.

Sincerely,

Matthew S. Gray

MSG:msg

cc: Thomas Clark, Stradling Yocca Carlson & Rauth LLP
Kenneth Rosenfield, Interim City Manager