



City of Laguna Hills
City Council/Planning Agency
Staff Report

DATE: February 8, 2022

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 February 8, 2022, to a Joint Meeting of the City Council/Planning Agency at the Regular Meeting of the City Council scheduled for March 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.

Since December 14, 2021, the ad hoc subcommittee met on numerous occasions to discuss the substance of the proposed Development Agreement and give direction to special counsel. The ad hoc subcommittee and special counsel also met with representatives of MGP in an effort to further negotiate the terms and conditions of the proposed Development Agreement that could be presented to the City Council for its consideration. The ad hoc subcommittee, special counsel, and MGP representatives have worked diligently and cooperatively in an effort to further negotiate and refine the terms of a proposed Development Agreement.

Discussions between City staff, special counsel, the ad hoc committee, and MGP regarding proposed terms and conditions of the required Development Agreement are continuing to progress and are nearing completion; however, additional time is still needed to conclude the negotiations and to prepare a revised proposed Development Agreement for the City Council's consideration. As such, this matter is not ready for a decision 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 are nearing completion, the continued hearing/meeting previously scheduled for February 8, 2022 must once again be canceled.

Additionally, since December 14, 2021, the City has completed its formal recruitment process, interviewed qualified candidates, and recently hired a new Community Development Director. The City's new Community Development Director began work on January 24, 2022, and is now in the process of reviewing the proposed Village at Laguna Hills Project in its entirety and the required Development Agreement.

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Since the continued hearing/meeting previously scheduled for February 8, 2022, 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. City staff and special counsel anticipate that a revised proposed Development Agreement will be ready for consideration by the City Council, without further delay, upon completion of the negotiation process and redrafting of the proposed Development Agreement, by no later than the City Council's March 8, 2022 regular meeting.

As previously advised, 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.

ALTERNATIVE:

The City Council/Planning Agency could, alternatively, continue the continued hearing/meeting to a Joint Meeting of the City Council/Planning Agency at the Regular Meeting of the City Council scheduled for Tuesday, February 22, 2022, at 7:00 p.m. (or as soon thereafter as possible), in the City Council Chamber. Special counsel and City planning staff have expressed a concern that there may not be enough time left in the schedule to conclude negotiations, finalize the proposed Development Agreement, and prepare the agenda packet for release to the public not later than the February 17, 2022 agenda posting deadline for the February 22, 2022 City Council meeting. Please also be advised that Monday, February 21, 2022, is a holiday and City Hall will be closed.