

1.0 INTRODUCTION

1.1 BACKGROUND

This Draft Environmental Impact Report (EIR) has been prepared to analyze the potential environmental effects that may result from the proposed Housing Element Rezone Program Implementation of Housing Element Programs HD-8.1.3 and HD-8.1.4, including the “RH” Zoning Combining District in Program HD-8.1.5 in Nevada County, California, pursuant to the California Environmental Quality Act (CEQA) (Public Resources Code [PRC] Section 21000 et seq.), and the *CEQA Guidelines* (California Code of Regulations [CCR] Title 14, Section 15000 et seq.).

CEQA requires California public agencies to consider the environmental consequences of projects for which they have discretionary authority. The public agency with the principal responsibility for carrying out or approving a project is the “lead agency.” CEQA requires the lead agency to prepare an EIR if there is substantial evidence, in light of the whole record, that a project may have a significant effect on the environment. A significant effect is defined in CEQA as a substantial and adverse physical change in the environment. Nevada County (County) is the lead agency for the proposed project.

The proposed project is the development and in some cases the annexation of 18 pre-selected sites. The 18 rezone sites comprise an area totaling approximately 149 acres, scattered throughout three general areas of unincorporated Nevada County; Grass Valley Sphere of Influence (SOI), Penn Valley, and Lake of the Pines. The 18 sites are irregular shaped areas with varying dimensions. The majority of the rezoning areas are undeveloped and surrounded by a variety of existing development, including single-family residential, rural residential, commercial agricultural, recreational, and utility uses. The natural features within the 18 pre-selected sites include a variety of distinct plant communities and several creeks.

To meet state housing requirements identified in the County’s Housing Element, high density residential zoning (R3) for an additional 1,270 low and very low income housing units are required to meet the County’s unmet housing needs. The project proposes to implement rezoning through the Zoning Map Amendment process to rezone sufficient acreage to higher density residential, or the equivalent of higher density residential, to meet the minimum low and very low income requirements. The specific rezoning process is proposed through the implementation of Housing Element Programs HD-8.1.3 and HD-8.1.4, including adding the “RH” Zoning Combining District to those sites included in Program HD-8.1.5.

In order to meet state housing requirements identified in the County’s Housing Element, the County is proposing to rezone 18 sites to meet the County’s need of a minimum of 1,270 low and very low income housing units. In addition to a Zoning Map amendment, all of the proposed project sites will require a General Plan Map Amendment, with the exception of Site 6, to accommodate a proposed density of 16-20 dwelling units per acre (du/acre) under the Urban High Density designation. Sites 1-9 located within the Grass Valley SOI area of Nevada County will accommodate a maximum of 20 du/acre, and Sites 10-18 will accommodate a maximum of 16 du/acre. The range of 16-20 du/ac reflects the County’s designation that allows up to 20 du/ac in the R3 Zoning when the site is within a City SOI. Since Sites 1-9 are located within the City of Grass Valley SOI, they can accommodate up to

20 du/ac. The 16 du/acre relates to the state-mandated density for rezoned sites and is allowed by the County's RH (Regional Housing Need) combining districts.

The projects within the Grass Valley SOI would require annexation into the City of Grass Valley prior to developing those sites in accordance with increased density associated with the Regional Housing Need (RH) Combining District zone. Accordingly, the Nevada County Local Agency Formation Commission (LAFCO) would be a responsible agency. In addition to annexing these properties into the City, LAFCO would also need to detach the area from the Nevada County Consolidated Fire District service area and add the area to the City Fire Department's service area.

As outlined in the "RH" Zoning Combining District Ordinance (Section L-II 2.7.11.C.3 of the Nevada County Land Use and Development Code), the project will result in the development of a Regional Housing Need Implementation Plan. This Plan will outline site-specific development standards and any CEQA mitigation measures adopted for each site that must be adhered to in order for the site to develop consistent with the purpose of the rezone and to ensure that the development of the site does not result in a significant environmental impact.

1.2 PURPOSE OF THE EIR

An EIR is an informational document that is written to inform public agency decision-makers and the public of the significant environmental effects of a proposed project. The purpose of an EIR is to:

- Analyze the environmental effects of a proposed project
- Indicate mitigation measures to avoid or minimize the potentially significant environmental effects of a proposed project
- Identify alternatives to the project that would avoid or substantially lessen the significant effects of the project

Environmental effects that are addressed in an EIR consist of potentially significant, adverse effects of the project across a full spectrum of environmental topics; growth-inducing effects of the project; and significant cumulative effects of past, present and reasonably anticipated future projects.

It is not the purpose of an EIR to recommend either approval or denial of a project. Rather, EIRs provide relevant information that will assist decision-makers in their decision to approve or deny a project. The lead agency may choose to approve a project that would result in significant environmental effects that cannot be mitigated. If this occurs, the lead agency is required to adopt a "Statement of Overriding Considerations."

1.3 SCOPE OF THE EIR

The focus of this EIR is limited to specific issues and concerns identified as causing potentially significant effects on the environment.

1.3.1 NOTICE OF PREPARATION

The County deemed that an Initial Study would not provide a sufficient amount of environmental analysis for this particular project and elected to skip the preparation of an Initial Study and prepare an EIR. To determine the scope of the EIR, the County prepared

and distributed a Notice of Preparation (NOP), dated September 21, 2012, for the proposed project. An NOP is a document that is sent by the lead agency to notify public agencies and interested parties that the lead agency plans to prepare an EIR for a proposed project. The purpose of an NOP is to solicit comments from public agencies and interested parties, and to identify specific environmental issues that should be considered in the EIR.

The NOP identified the following issues to be addressed in this EIR:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Greenhouse Gases
- Hydrology and Water Quality
- Land Use and Planning
- Transportation/Traffic

The NOP was sent via certified mail to trustee and responsible agencies, and the State Clearinghouse for a 30-day public review period, extending from September 21 to October 26, 2012. The NOP and written comments received from public agencies and interested parties are contained in Appendix A (Notice of Preparation and Public Comments).

1.3.2 PUBLIC REVIEW AND SCOPING MEETING

On October 3, 2012, a public meeting on the scope of the EIR was held. A public notice of the meeting was sent to members of the public and interested parties. At the meeting, members of the public had the opportunity to identify issues of special concern and to suggest additional issues to be considered in the EIR. Minutes from the meeting are included in Appendix A.

1.3.3 CONTENTS OF DRAFT EIR

All of the environmental issues listed in the NOP were determined to have potentially significant impacts, and the issues identified during the public review period for inclusion in the EIR have been incorporated into this EIR. For each environmental issue, the EIR describes the environmental setting (current conditions), then discusses and analyzes the potential related impacts that could be caused by project implementation.

For each potentially significant impact, the EIR specifies ways to mitigate the impact, including implementation of one or more of the following mitigation measures:

- Existing goals, objectives, policies and programs of the General Plan
- Applicable mitigation measures of the Draft and Final EIR for the General Plan
- Project-specific mitigation measures designed to mitigate one or more project impacts, as described in this EIR

The project developer must implement all mitigation measures identified in the EIR or their environmental equivalent. “Environmental equivalent” means any mitigation measure

and/or timing thereof, subject to the approval of the County, that, when compared to the mitigation measure, would have the same or superior result and would have the same or superior effect on the environment. The Community Development Agency, in conjunction with appropriate agencies or other County departments, would determine the adequacy of any proposed environmental equivalent. Any costs associated with information or environmental documentation required to determine environmental equivalency would be borne by the project developer. As with other mitigation measures, the County would ensure compliance with an environmental equivalent through the mitigation monitoring process.

1.4 ORGANIZATION OF THE EIR

The EIR has been organized into the following sections:

Chapter 1, Introduction: Provides an introduction and overview that describes the purpose of the EIR, summarizes the EIR review and certification process, identifies key areas of environmental concern, and outlines the EIR process.

Chapter 2, Executive Summary: Summarizes the proposed project, required actions by the County and other agencies, environmental setting, potential impacts of the project, mitigation measures identified to reduce or eliminate significant impacts, and alternatives to the proposed project.

Chapter 3, Project Description: Presents project objectives, describes the site location and characteristics, provides a detailed description of the proposed project and specifies the intended use of the EIR, including the actions required to implement the project.

Chapter 4, Environmental Analysis: Describes the existing conditions, analyzes the proposed project's potential environmental impacts and specifies measures to mitigate the identified impacts. Also describes cumulative impacts.

Chapter 5, Growth Inducing and Cumulative Impacts: Describes growth-inducing impacts resulting from implementation of the project.

Chapter 6, Alternatives: Evaluates a reasonable range of project options (alternative ways of meeting the project objectives) that would reduce or avoid environmental impacts, including the No Project Alternative.

Chapter 7, Other CEQA Considerations: Discusses irreversible or irretrievable commitments of resources and significant unavoidable impacts.

Chapter 8, Report Preparation Personnel: Lists personnel who prepared the EIR, including County staff and consultants.

Chapter 9, References: Lists sources of information used in the preparation of the EIR.

Appendices: Includes the NOP for the EIR, comments received in response to the NOP and the County's scoping activities, and background technical studies.

1.5 TERMINOLOGY USED IN THE EIR

This EIR uses the following terminology to denote the significance of environmental impacts of the proposed project:

- A “beneficial impact” is an environmental impact that would be a positive contribution or improvement to the physical conditions that exist in the area affected by the project.
- An “environmental impact” is a direct or indirect effect that would be caused by the project that constitutes a physical change to the existing natural or man-made conditions within the area affected by the project.
- “No impact” is the lack of any environmental impact, and no mitigation is required.
- A “less than significant” impact or an impact that is “not significant” is an environmental impact that would cause no substantial adverse change in the environment and, as such, requires no mitigation.
- A “potentially significant” or “significant” impact is an environmental impact that could or would cause a substantial adverse change in the environment. In such a case, an impact has been identified that, although potentially significant, can be avoided or reduced to less than significant levels through mitigation. Such mitigation may include project design features that have been incorporated into the project or existing requirements, such as municipal code or ordinance, engineering and design requirements (e.g., California Building Code), and standard regulations set by regional, state and federal agencies. A further description of mitigation measures is provided below.
- A “significant and unavoidable” impact is an environmental impact that could or would cause a substantial adverse change in the environment and cannot be avoided if the project is implemented; mitigation may be recommended, but would not reduce the impact to a less than significant level.
- “Mitigation measures” are defined in *CEQA Guidelines* Section 15370 as:
 - Avoiding the impact altogether by not taking a certain action or parts of an action
 - Minimizing the impact by limiting the degree or magnitude of the action and its implementation
 - Rectifying the impact by repairing, rehabilitating or restoring the affected environment
 - Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action
 - Compensating for the impact by replacing or providing substitute resources or environments

1.6 FINAL EIR AND PROJECT APPROVAL

1.6.1 PUBLIC REVIEW OF DRAFT EIR

In accordance with CEQA, a good-faith effort has been made during the preparation of this EIR to contact all affected agencies, organizations and persons who may have an interest in this project.

This Draft EIR, with an accompanying Notice of Completion (NOC), is being circulated to the California State Clearinghouse, trustee agencies, responsible agencies, other government agencies and interested members of the public for a 45-day review period as required by

CEQA. The review period for this Draft EIR is between September 12 and November 12, 2013 (60 day review period). During this period, public agencies and members of the public may provide written comments on the analysis and content of the EIR. In reviewing a Draft EIR, readers should focus on the sufficiency of the document in identifying and analyzing the possible impacts on the environment and on ways in which the significant effects of the project might be avoided or mitigated.

All written comments on this Draft EIR must be mailed, delivered, faxed or emailed by 5:00 p.m. on November 12, 2013, and addressed as follows:

Mail or Delivery: Nevada County
Community Development Agency
950 Maidu Avenue, Suite 170
Nevada City, CA 95959
Attention: Tyler Barrington, Principal Planner

Fax: Tyler Barrington, Principal Planner
Nevada County
(530) 265-9851

Email: tyler.barrington@co.nevada.ca.us

All comments received on the Draft EIR during the 45-day public review period will be responded to by the County in the Final EIR.

1.6.2 CONTENTS OF FINAL EIR

The following requirements will collectively compose the Final EIR:

- The Draft EIR
- A list of all persons, organizations and public agencies that commented on the Draft EIR within the public review period
- Copies of all comments received
- Written responses to those comments

1.6.3 CERTIFICATION OF FINAL EIR AND PROJECT APPROVAL PROCESS

For a period of at least ten days prior to any public hearing during which the lead agency will take action to certify the EIR, the Final EIR will be made available to, at a minimum, the trustee and responsible agencies that provided written comments on the Draft EIR. The Final EIR must be certified before the lead agency can take action on the project.

After the EIR is certified, the County will begin evaluating the merits of the project and conduct public hearings to decide whether to approve the proposed project or not. Before approving (or conditionally approving) the project, the County must prepare a Mitigation Monitoring and Reporting Program (MMRP). The County must also prepare CEQA findings that briefly explain the rationale behind the finding for each significant impact identified for the project, and, if an impact cannot be mitigated to a less than significant level but the County as lead agency still decides to approve the project, a Statement of Overriding Considerations.

Certification of the Final EIR and approval of the CEQA findings, MMRP and Statement of Overriding Considerations may be considered during the final public hearing. The certification of the Final EIR must be first in the sequence of approvals.

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