



## Council Agenda Report

From: Warren Frace, Community Development Director

Subject: Approval of Operating Memorandum No. 2 of the Olsen-South Chandler Ranch Specific Plan Development Agreement – Allowing for All Electric Subdivision Tract Improvements

CEQA Determination: The City finds that this action was analyzed as part of the Olsen–South Chandler Specific Plan Final Environmental Impact Report SCH#2019011065 and is consistent with Mitigation Monitoring and Reporting Program.

Date: July 15, 2025

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### Facts

1. On [February 20, 2020](#), the Olsen–South Chandler Specific Plan (OSCSP) and Environmental Impact Report (EIR) were approved by City Council.
2. Increasing the supply of both single-family residential (SFR) and multi-family residential (MFR) housing production is one of the [City Council Adopted Goals for Fiscal Years 2024-2026](#).
3. The OSCSP allows 1,293 SFR and MFR residential units to be built consistent with the EIR’s Mitigation Monitoring and Reporting Program (MMRP), which requires project impacts to be mitigated to a level of less than significant, including off-site traffic impact.
4. On February 21, 2023, the City Council authorized the City Manager to execute Development Agreement Operating Memo No. 1, which provided an alternative timing trigger for both off-site traffic improvements and public park improvements; it did not alleviate the improvements from being installed, only changing the timing when they must be installed.
5. On August 6, 2024, the City Council authorized the City Manager to execute Development Agreement Operating Memo No. 1, Amendment 1, to allow additional time to complete off-site public improvements.
6. The Olsen – South Chandler Specific Plan Conditions of Approval and Development Agreement both require installation of public improvements and utilities in all subdivision tracts; which has always been interpreted to include the installation of natural gas infrastructure.
7. On May 20, 2025, Trumark Homes, submitted a request for an Operating Memo to install all electric subdivision tract improvements, without natural gas infrastructure, in Planning Areas (PA) 3, 8, 11 and 12 of the Olsen – South Chandler Specific Plan.
8. The City Manager is authorized to approve Operating Memos but is seeking City Council concurrence, since “all electric” tract improvements and home construction reflects a change from past City practice.

### Community Outreach

The OSCSP included a robust public outreach process including a weeklong public charrette, a 45-day public EIR circulation and public hearing at both Planning Commission and City Council.

### Options

1. Take no action;

2. Authorize the City Manager to execute Olsen–South Chandler Specific Plan Development Agreement Operating Memo No. 2;
3. Provide alternative direction.

### **Analysis and Conclusions**

The City’s Climate Action Plan and the California Building Code encourage new residential construction to install all electric appliances and mechanical systems in lieu of natural gas. Consistent with this policy direction, Trumark Homes is proposing to construct “all electric” houses in their portions of the Olsen – South Chandler Specific Plan. Logically, Trumark does not want to spend the time and money installing natural gas lines within the subdivision tract if they are not going to be used. .

Although this request is consistent with City and State greenhouse gas reduction policies, the South Chandler Specific Plan Conditions of Approval and Development Agreement both require installation of public improvements and utilities in all subdivision tracts. Historically, natural gas is installed as a public improvement in all City subdivision tracts. Staff is not opposed to the request, however it is a change from past City practice. The City Manager is seeking City Council concurrence prior to authorizing this Operating Memo. If the City Council approves this request it will only apply to these specific tracts and will not change or modify the requirements of future developers to install natural gas infrastructure as a requirement of development. This action is not intended to be interpreted as a blanket policy decision by the City Council.

### **Fiscal Impact**

There are no new fiscal impacts approving the Operating Memo No. 2.

### **CEQA Determination**

The Olsen–South Chandler Specific Plan and Development Agreement were analyzed as part of the Olsen–South Chandler Specific Plan Final Environmental Impact Report SCH#2019011065. The requested Operating Memo timing triggers have been analyzed by Central Coast Transportation Consulting and determined to be consistent with Mitigation Monitoring and Reporting Program. Therefore, the Operating Memo is consistent with the EIR. As such, no additional CEQA review is required.

### **Recommendation (Option 2)**

Authorize the City Manager to execute Olsen–South Chandler Specific Plan Development Agreement Operating Memo No. 2.

### **Attachments**

1. Trumark Homes Operating Memo Request Letter 2025-05-20
2. Olsen – South Chandler Specific Plan Phasing Map
3. Resolution 25-XXX – Authorizing Execution of OSCSP Olsen 212 Operating Memo 2
  - a. Exhibit A – Resolution 24-092-OSCSP Amendment 1 Olsen 212 DA Operating Memo 1
  - b. Exhibit B – OSCSP Olsen 212 DA Operating Memo 2