

# County-Eldridge Renewal MOU

## **MEMORANDUM OF UNDERSTANDING AND AGREEMENT FOR THE ADMINISTRATION OF A REVISED SPECIFIC PLAN AND EIR AND HOUSING DEVELOPMENT PROJECT APPLICATION FOR SONOMA DEVELOPMENTAL CENTER**

This Memorandum of Understanding and Agreement (“MOU”) is made on July 8, 2025, between the County of Sonoma (“County”) and Eldridge Renewal, LLC, (“Applicant”) in connection with the administration and review of an environmental impact report (“EIR”), a specific plan, and a housing development project for the redevelopment of the former State residential-care facility, commonly known as Sonoma Developmental Center (“SDC”).

- A. SDC is located in the unincorporated community of Eldridge, Sonoma County, at 15000 Arnold Drive, which constitutes a 160-acre core campus (“Core Campus”) and 785 acres of agriculture, recreation, and open space adjacent thereto.
- B. In 2019, the State Legislature enacted Government Code Section 14670.10.5 (the “Special State Legislation”) to establish the procedures for the divestment and redevelopment of SDC. Among other things, it directed the Department of General Services (“DGS” or “State”) to enter into an agreement with the County to develop a specific plan for the site, which would be integrated with DGS’ disposition process for SDC. The Special State Legislation required the County and DGS to, in accordance with the agreement, expedite the planning of future land uses for the site and complete the necessary environmental review under the California Environmental Quality Act (“CEQA”) associated therewith.
- C. The State and County entered into that SDC Land Use Planning Contract dated December 20, 2019 (“Land Use Planning Contract”) in which the County agreed to provide land use planning services for SDC, including the completion of a specific plan and an EIR to facilitate the development of the Core Campus, in particular new housing. In consideration of the County’s work, the State advanced \$3.5 million to the County to draw upon for its services.
- D. On December 16, 2022, the Board of Supervisors (“Board”) approved the SDC Specific Plan (“Specific Plan”) and certified an EIR. The Specific Plan and EIR envisioned redevelopment of the Core Campus with 1,467,000 square feet (“sf”) of residential uses, including up to 1,000 residential units, 410,000 sf of non-residential use, including a hotel, and dedicated park and open space.
- E. On January 18, 2023, Sonoma Community Advocates for a Livable Environment and Sonoma County Tomorrow (collectively “SCALE”) filed a Petition for Writ of Mandate in Sonoma County Superior Court alleging that the County violated CEQA when it prepared and approved the Specific Plan and EIR.
- F. On April 4, 2023, the State selected the Applicant as the buyer to purchase and redevelop the Core Campus. On August 22, 2023, Applicant submitted an SB 330 Preliminary Application to the County for a housing development project on the Core Campus pursuant to the Housing Accountability Act (“HAA”), which the County deemed “submitted” on the same date.

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- G. In accordance with the HAA, Applicant submitted a timely development permit application to the County. The application, as reflected in the latest submittal and may be revised from time to time, proposes (i) 990 residential units with 20% of said units affordable to lower income households (entitling the project to the benefits of Builder's Remedy under State law); (ii) 130,000 sf of commercial uses; (iii) a 150-room hotel and associated amenities; (iv) approximately 70 acres of outdoor public parks, and recreational and open space areas; (v) public infrastructure and utility network improvements; (vi) automobile and bicycle parking spaces; and (vii) a site for a new fire station and designated evacuation command center. The project proposes to incorporate a new fire buffer, implement best practices in site management and construction design to minimize wildfire risk, and integrate new fire department facilities and emergency access routes within the overall project design (as described above and may be modified in the future, the "Project"). In consultation with DGS and following State initiatives to encourage more housing, the Applicant designed the Project based on the Specific Plan and the density and intensity thresholds studied in the EIR.
- H. On October 8, 2024, Judge Bradford DeMeo granted SCALE's Petition for Writ of Mandate, finding that the County violated CEQA in its preparation and approval of the Specific Plan and EIR. The court's judgement required the County to void its certification of the EIR and its approval of the Specific Plan. On December 3, 2024, the Board took action to decertify the EIR and set aside the Specific Plan pursuant to the court's judgement. Thereafter, the Board directed staff to work with the Applicant and State to develop a legally compliant Specific Plan and EIR (the "Revised EIR") in furtherance of the Special State Legislation.
- I. On March 6, 2025, the County determined that the Applicant's development permit application for the Project was complete for processing and the County would begin environmental review of the Project in accordance with CEQA Guidelines Section 15060.
- J. The County and Applicant desire to create an MOU that outlines the parties' rights and responsibilities as to the administration and processing of the Revised EIR, Specific Plan and Applicant's Project pursuant to State law and the Sonoma County Code, as well as the process for preparing the Revised EIR for purposes of creating a legally compliant Specific Plan, in accordance with Board direction and the Special State Legislation, and evaluating the reasonably foreseeable environmental impacts of the Project in relation thereto.
- K. In light of the foregoing, and in consideration of the mutual covenants and agreements contained herein, the parties wish to enter into this MOU.

TERMS

1. **Project Approvals**. In addition to the County's certification or adoption of any environmental document required for the Project's approval under CEQA, the local approvals required for the Project (the "Project Approvals") include a Design Review approval with a Development Plan that provides for the site plan, buildings, designs, and uses that would be authorized for future development on the Core Campus pursuant to County Code Chapter 26 Article 82 and other applicable regulations (e.g. objective general plan policies). The Project Approvals also include a Vesting Tentative Map (or Maps) with the intent to file multiple Final

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Maps pursuant to Government Code Section 66456.1 and Chapter 25 of the County Code and other applicable regulations. In accordance with the terms herein, the County will prepare and process the Specific Plan and Revised EIR in conjunction with the Project Approvals.

2. **Project Schedule.** The parties shall substantially comply with the schedule outlined in Exhibit A (the "Schedule") for purposes of preparing and processing the Specific Plan, Revised EIR, and Project Approvals. In furtherance thereof, the County will promptly engage a qualified lead environmental consultant in accordance with the Land Use Planning Contract for purposes of cost reimbursement from the State. County shall diligently track the status of deliverables from the consultant under the schedule and promptly notify Applicant of any delays as soon as they become apparent or likely. Applicant understands that the County's ability to comply with the schedule and timelines therein will depend in part on Applicant's prompt responses to requests for clarification or additional information required to prepare the EIR and process the Project Approvals. Further, delay that is not under the control of the County (e.g. consultation or biological resources studies) shall not be considered a breach of the project schedule and in the event of such delay the parties agree to negotiate in good faith an amendment to the project schedule.

3. **Indemnification Agreement.** The parties shall be subject to the terms of the indemnification clause attached as Exhibit B upon which the Applicant will, subject to the terms therein, defend, indemnify, release and hold harmless the County for any claim, action, or proceeding brought against it for purposes of attacking, voiding or setting aside the Specific Plan, Project Approvals, or any other related approvals (e.g. general plan amendments and zoning amendments). The terms of this indemnification supersede the terms of indemnification agreed to by the Applicant pursuant to the County's PJR-011 form dated February 12, 2024, except that if this Agreement is cancelled for any reason the February 12, 2024, indemnification agreement shall be reinstated.

## 4. **County Rights & Responsibilities.**

(a) Serve as the lead agency for purposes of the Revised EIR and as the point of contact in all government-to-government consultations, including tribal consultation required under CEQA, while ensuring Applicant may participate in said consultations consistent with State law.

(b) Obtain a scope of work and budget from each CEQA consultant, sub-consultant or other independent contractor (individually and collectively, the "CEQA Consultant") that will perform work on the Specific Plan or Revised EIR.

(c) Support the CEQA Consultant to ensure timely preparation of all work, adhere to lead agency review and comment periods, prepare and publish required public notices, and schedule public hearings within the timelines set forth in the Schedule.

(d) Ensure the CEQA Consultant's work satisfies the approved scope of work and stays within the budget for said work as agreed upon by the parties, and in accordance with the Schedule.

(e) Consider in good faith all input provided by the Applicant on the scope of work, budget, technical studies, the Revised EIR, including key components such as scoping notice, project description, alternatives, and associated documents before publication.

(f) Ensure the published Revised EIR and associated documents reflect the County's independent judgement.

5. **Applicant Rights & Responsibilities.**

(a) Provide input on the selection of all CEQA Consultants and review and provide input on any scope of work and budget proposed by the same.

(b) Support the County and CEQA Consultant in order to meet pre-determined timelines set forth in the Schedule.

(c) Receive and review all administrative draft technical studies, reports and other key components of the Revised EIR from the CEQA Consultant concurrently with the County, and have the ability to provide input on the same before publication.

(d) Indemnify the County subject to the terms set forth in Section 3 above.

6. **Application of State Housing Laws.** Consistent with the California Department of Housing and Community Development's April 26, 2024 letter to the County, the Project (as currently proposed) qualifies for the benefits of Government Code Section 65589.5(d)(5) (known as "Builder's Remedy") pursuant to the HAA. Under the HAA, the Project Approvals may be subject to a maximum of five public hearings. In accordance with Government Code Section 65905.5, these include informational hearings, hearings at which the Project Approvals are continued to another date at the request of the County or another agency, committee or advisory hearings, and appeal hearings. In light of the foregoing, the County shall ensure that the public hearings for the Project Approvals, including the Final Map required for the Project, adhere to the five-hearing requirement. The County intends the five hearings for the Project to include the Design Review Committee, the Historic Landmarks Commission, the Planning Commission, and the Board.

7. **Environmental Review.** Nothing herein commits the County to approve any project, including the Project Approvals, and it may not do so until it completes and satisfies all environmental review requirements under CEQA.

8. **Communication Coordination.** All County communications or exchanges of information with the public or press relating to the Specific Plan, Revised EIR, or Project Approvals shall be nonbiased and factual only. This does not commit the County to any specific findings, staff recommendation, or action related to the project.

9. **Costs & Expenses.**

(a) County will apply all remaining funds under the Land Use Planning Contract for all costs and expenses related to the preparation and processing of an adequate Specific Plan and Revised EIR, including all Consultant invoices, as necessary to comply with and make a final return to the writ issued in Sonoma County Superior Court Case No. SCV-272539. The County or Consultant will provide budget updates to the Applicant on a monthly basis that track all costs and expenses generated through the date of the respective update against the approved budget.

(b) The Applicant will be responsible for the County's costs and expenses related to the processing and administration of the Project Approvals. Additionally, the

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Applicant will be responsible for any costs of environmental review that exceed the remaining funds under the Land Use Planning Contract or if the Land Use Planning Contract is cancelled for any reason, not to exceed \$125,000. The County will notify the Applicant in writing prior to incurring or spending funds in excess of the remaining funds under the Land Use Planning Contract. The terms of the At-Cost Project Reimbursement Agreement (PJR-095) dated 2-12-2024 are additionally incorporated into this MOU. The Applicant acknowledges that the County may set aside Land Use Planning Contract funds to cover its costs for the Specific Plan and associated hearings and that the Applicant thus may be responsible for environmental review costs before all of the Land Use Planning Contract funds are fully expended. The County will deliver its standard statement of account (an "invoice") for said costs and expenses, including Permit Sonoma project services fees, on a regular (generally monthly) and timely basis. The invoice shall detail all services provided and include all time and expenses incurred up to the invoice date; bills from outside consultants and other departments will be billed following the month in which those bills were received by Permit Sonoma.

10. **Other Necessary Acts.** Each party shall execute and deliver to the other Parties all such additional documents as may be reasonably necessary to carry out and secure the parties' rights and privileges under this MOU.

11. **General.** This Agreement may not be modified orally or in any manner other than an agreement in writing signed by the parties. The Director of Permit Sonoma may execute amendments to this Agreement on behalf of the County related to the project schedule and other minor terms and conditions. All waivers of the provisions of this MOU shall be in writing and signed by the appropriate authorities of the County and Applicant. This Agreement shall be governed in accordance with California law and any legal proceeding related to this Agreement shall be filed and heard in Sonoma County Superior Court. If a court determines any provision of this MOU is invalid, illegal, or unenforceable, such determination shall not affect the remaining provisions of this MOU. This MOU may be executed in counterparts, each of which is deemed to be an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date in the preamble above.

(SIGNATURES ON FOLLOWING PAGE)

County-Eldridge Renewal MOU

COUNTY

By: \_\_\_\_\_  
Its:

APPLICANT

**Eldridge Renewal, LLC**  
a California limited liability company

By: Eldridge Renewal Investors, LLC,  
a California limited liability company,  
its sole Member

By: Eldridge Grupe Investors, LLC, a  
California limited liability company,  
its Managing Member

By: Grupe Investment Company,  
Inc., a California corporation,  
its Managing Member

DocuSigned by:  
*Jeremy White*  
By: AF70A6709716450...  
Jeremy S. White, COO

**GRUPE HOLDING COMPANY, INC.**, a California  
Corporation  
DocuSigned by:  
*Jeremy White*  
By: AF78A6709716450...  
Jeremy S. White, COO

The Permit Sonoma Director is authorized to execute this MOU, pursuant to the Board of Supervisors' Summary Action dated July 8, 2025.

**APPROVED AS TO FORM  
FOR COUNTY**

\_\_\_\_\_  
Chief Deputy County Counsel

**Exhibit A****Project Schedule**

This proposal outlines about 25 weeks for preparation of the Administrative Draft of the EIR, including time to prepare the project description and confirm details with the County and the Applicant and time to complete technical modeling of traffic, air, GHG, and noise impacts as well as the emergency evacuation analysis. Accordingly, the Public Review Draft EIR would be released 32 weeks following project inception. Given the public review and the staff review periods, the total project timeline is anticipated to be about nine months.

<i>Milestone</i>	<i>Responsibility</i>	<i>Duration (days)</i>	<i>Target Completion</i>
Kick Off Meeting	ALL	0	9-Jul
Draft Project Description submitted	D&B	21	28-Jul
County/Applicant review	County/Applicant	7	4-Aug
Project Description finalized	D&B	7	11-Aug
Notice of Preparation released	D&B	4	15-Aug
Tribal consultation letters sent	D&B	0	15-Aug
Scoping meeting	D&B	0	11-Sep
End of scoping period	-	31	15-Sep
Technical traffic modeling	F&P	45	25-Sep
Emergency Evacuation Report	F&P	56	6-Oct
AQ/GHG/Noise modeling	D&B	21	10-Nov
Admin Draft EIR	D&B	98	17-Nov
County review of ADEIR	County	21	8-Dec
Screencheck DEIR	D&B	14	22-Dec
Public Review DEIR and Notices	D&B	14	5-Jan
Public review starts	ALL	0	5-Jan
Planning Commission + Advisory Committee Meeting	ALL	30	4-Feb
Public review ends	ALL	45	19-Feb
Consultant Prepares Administrative Draft Final EIR & MMRP	D&B	35	26-Mar
County Reviews Administrative Draft Final EIR & MMRP	County	14	9-Apr
Consultant Completes Screencheck Final EIR & MMRP	D&B	7	16-Apr
County Reviews Screencheck Final EIR	County	7	23-Apr
Consultant Completes Final EIR & MMRP for Distribution	D&B	6	29-Apr
Final EIR Circulated	ALL	0	29-Apr
Planning Commission Hearing	ALL	0	21-May
BOS Hearing	ALL	0	9-Jun
Notice of Determination (within 5 days of certification)	D&B	0	11-Jun

**Exhibit B**

**Indemnification Agreement**

Except as otherwise provided herein, the Applicant agrees to defend, indemnify, release and hold harmless the County, its agents, officers, attorneys, employees, boards and commissions (individually or collectively, "County Parties") from any claim, action or proceeding brought against any of the County Parties, the purpose of which is to attack, set aside, void or annul the County's approval of the Specific Plan, Project Approvals, or other related approvals (each a "Claim"), including the adoption and/or certification of the environmental document which accompanies it. This indemnification shall include, but not be limited to, damages, costs, expenses, attorney fees or expert witness fees that may be asserted by any person or entity, including the Applicant, arising out of or in conjunction with the Specific Plan, Project Approvals, or other related approvals, whether or not there is concurrent passive or active negligence on the part of the County; provided, however, this indemnification obligation shall not apply in the event of County Parties' gross negligence or willful misconduct.

In the event that a Claim is brought against the County Parties, the Applicant shall take the primary responsibility for defending against such Claims and lead the defense efforts, including but not limited to the preparation and filing of pleadings, motions, and other legal documents necessary for the defense of the Claim. The Applicant and County shall, wherever possible, file joint pleadings in the defense against any Claims. The Applicant shall coordinate with the County on all draft work products, including pleadings, briefs, and any other legal documents, to ensure consistency and mutual agreement on the defense strategy to any Claim. It is not anticipated at this time that the County will need to hire outside counsel to represent the County in a joint defense of such Claims, but should the interests of the County and the Applicant substantially diverge during litigation, the County shall pay for its own counsel. Grupe Holding Company, Inc., a California corporation, has a financial interest in Applicant and as an inducement to the County to enter into the MOU agrees to guarantee, for the benefit of Applicant, the full and punctual payment of all Applicant's indemnity and hold harmless obligations to the County Parties contained in this Indemnification Agreement.

At any time prior to the issuance of a court judgment, Applicant may abandon the Project Approvals without the County's consent and, upon such abandonment, shall be released from any further indemnification obligations under this Agreement. Under such circumstances, the Applicant would still be responsible for the costs, expenses, and attorney fees that may be asserted by any person or entity, arising out of or in conjunction with Claims against the Specific Plan and Project Approvals that were incurred up to the date of the Applicant's notification to the County of Applicant's abandonment.

Notwithstanding the foregoing, the County will be responsible for its own costs and expenses incurred for outside legal counsel engaged by the County to assist with achieving and demonstrating compliance with the previously issued court writ.