

TRANSMITTAL

TO The City Council	DATE 06-06-24	COUNCIL FILE NO. 14-1174-S97
FROM CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 7

At its regular meeting on May 30, 2024, the CRA/LA Bond Oversight Committee (BOC) considered the attached Economic and Workforce Development Department (EWDD) report authorizing the appropriation of up to \$4,896,486, plus all earned interest in CRA/LA Excess Non-Housing Bond Proceeds from the Pacoima/Panorama City Project Area (Taxable Series 2003-A, 2006-B, and Tax-Exempt Series 2006-C and 2009-D) for the Pacoima Lifestyle Center Acquisition Project.

The BOC approved the report recommendations with the following amendment: Authorize EWDD to execute the negotiated Purchase and Sale Agreement provided that, (a) the purchase price is capped at \$8,000,000; (b) due diligence is completed including the appraisal, asbestos and lead testing, CASp inspection, Phase I Environmental, Phase II Environmental (if required), Property Condition Assessment (including seismic, termite, and pest inspection), Title Report, and Zoning Analysis; and, (c) the purchase is completed by December 31, 2024. This report is hereby transmitted for Council consideration.

FISCAL IMPACT STATEMENT

There is no impact to the City's General Fund from the proposed acquisition. The CRA/LA Excess Non-Housing Bonds Proceeds Fund No. 57D is funded solely from transfers totaling approximately \$88.4 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). These funds have been deposited with the Office of the Controller.


 for Matthew W. Szabo
 City Administrative Officer
 Chair, CRA/LA Bond Oversight Committee

MWS:YC/AP/nsh:15240050

Attachment –EWDD Pacoima Lifestyle Center Acquisition Project Report, May 28, 2024

CITY OF LOS ANGELES

CALIFORNIA

CAROLYN M. HULL
GENERAL MANAGER

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017



KAREN BASS
MAYOR

May 28, 2024

Council File:14-1174-S97
Council District No.: 7
Contact Persons & Extensions:
Daisy Hernandez: (213) 744-9340

CRA/LA Bond Oversight Committee
c/o Andre Perry
Office of the City Administrative Officer
Room 1500, City Hall East

BOND OVERSIGHT COMMITTEE TRANSMITTAL: REQUEST REVIEW AND RECOMMENDATION THAT COUNCIL AND MAYOR, AS REQUIRED, APPROPRIATE UP TO \$4,896,486 IN CRA/LA EXCESS NON-HOUSING BOND PROCEEDS PLUS ALL EARNED INTEREST FROM THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA (TAXABLE SERIES 2003-A, 2006-B, AND TAX-EXEMPT SERIES 2006-C, 2009-D) TO ACQUIRE COMMERCIAL PROPERTY LOCATED AT 13269 VAN NUYS BOULEVARD AND ASSOCIATED PARCELS FOR THE PACOIMA LIFESTYLE CENTER ACQUISITION PROJECT

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in this transmittal to the Mayor and City Council for their review and consideration.

RECOMMENDATIONS

The General Manager of EWDD, or designee, requests that the Bond Oversight Committee recommend that the City Council, subject to the approval of the Mayor as required:

1. DETERMINE that the Pacoima Lifestyle Center Acquisition Project (Project) consisting of property acquisition and potential future redevelopment for mixed commercial and residential use, is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 19, Section 15332, Class 32;

2. DIRECT EWDD to file a CEQA Notice of Exemption (NOE) (Attachment 3) with the City Clerk and Los Angeles County Clerk upon Council adoption;
3. AUTHORIZE EWDD, pursuant to Los Angeles Administrative Code (“Admin. Code”) Section 22.1008(a), to acquire the commercial property located at 13269 Van Nuys Boulevard, Pacoima, CA 91331 (Property) in order to carry out its economic development functions and to be the implementing department for activities related to the Project;
4. AUTHORIZE EWDD to negotiate and execute a Purchase and Sale Agreement (PSA) and all related transactional documents as needed with the owner of the Property (Seller);
5. DIRECT EWDD to submit any agreements arising from tenants leasing space to the City Administrative Officer (CAO) for review to ensure continued compliance with bond covenants;
6. RESCIND the Council action of November 05, 2019, relative to approving the use of \$126,848 taxable CRA/LA Excess Non-Housing Bond Proceeds (EBP), \$3,753,418 tax-exempt EBP, and all earned interest (Interest) available to Council District (CD) 7 from the Pacoima/Panorama City Redevelopment Project Area (Project Area) toward the Culinary Arts Building Improvements Project (C.F. 14-1174-S63), and revert those funds to their original source so they may be reprogrammed toward the Project;
7. AMEND the Council action of December 6, 2023, relative to increasing the EBP funding allocation to the Graffiti Abatement Project (C.F. 14-1174-S99) by reducing the allocation from \$666,220 to \$100,000 and revert \$566,220 (consisting of \$10,095 in taxable EBP and \$556,125 in tax-exempt EBP) to their original source so they may be reprogrammed toward the Project;
8. APPROVE up to \$586,943 in taxable and \$4,309,543 in tax-exempt EBP for an aggregate total of \$4,896,486 plus Interest available to CD 7 from the Project Area to be utilized to acquire Property for the purpose of the Project;
9. AUTHORIZE the Controller, subject to the availability of funds and a duly executed PSA between the City and Seller, to expend up to \$586,943 plus Interest from EBP Fund No. 57D, Account Nos. 22L9MT and 22S9MT Pacoima/Panorama City Taxable Series 2003-A and 2006-B, and up to \$4,309,543 plus Interest from EBP Fund No. 57D, Account Nos. 22L9MN and 22S9MN Pacoima/Panorama City Tax-Exempt Series 2006-C and 2009-D upon presentation of proper documentation from EWDD, and satisfactory review and approval in accordance with the terms and conditions of the Bond Expenditure Agreement (BEA);
10. AUTHORIZE the Controller to transfer up to \$4,896,486 plus Interest (\$983,077 through September 30, 2023) from the EBP Fund No. 57D, Account Nos. 22L9MT and 22S9MT Pacoima/Panorama City Taxable Series 2003-A and

2006-B, and Account Nos. 22L9MN and 22S9MN Pacoima/Panorama City Tax-Exempt Series 2006-C and 2009-D, to a third-party escrow company upon receipt of appropriate transfer instructions from EWDD;

11. AUTHORIZE the Controller to transfer/appropriate up to \$10,000 from EBP Fund No. 57D, Account Nos. 22L9MT and 22S9MT to the Engineering Special Services Fund No. 682, Department No. 50, Account No. TBD (New) upon presentation of proper documentation from the Department of Public Works, Bureau of Engineering (BOE) for environmental review work performed in connection with the Project;
12. DIRECT EWDD to report on its work accomplishments to the Office of the City Administrative Officer (CAO) on a quarterly and as-needed basis; and
13. AUTHORIZE the General Manager of EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the CAO, and authorize the Controller to implement these instructions.

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to a CD 7 Motion and Amending Motion (Rodriguez-Park) which were adopted by Council on March 19, 2024, and April 9, 2024, respectively (C.F. 14-1174-S97). Together, the Motions direct EWDD to negotiate a PSA, provide recommendations on acquiring the Property, and provide funding instructions necessary to acquire the Property.

This transmittal recommends that up to \$4,896,486 in taxable and tax-exempt EBP plus Interest available to CD 7 within the Project Area be allocated to EWDD to acquire the Property to implement a Lifestyle Centers Incentive Program. A Lifestyle Centers Incentive Program, which is defined as a project which assist developments with infrastructure, predevelopment, or acquisition costs in order to redevelop underutilized shopping center parcels, is listed as a potential project in the Project Area's Bond Spending Plan (BSP) that was adopted by Council on June 24, 2015 (C.F. 14-1174). Sufficient City funds for the Project are available from CD 7's portion of EBP in the Project Area.

The original taxable and tax-exempt EBP in the Project Area available to CD 7 was \$10,001,374 net of the mandatory (\$213,876) taxable EBP admin set aside. This transmittal's proposed allocation of \$586,943 taxable EBP, \$4,309,543 tax-exempt EBP, and \$983,077 in Interest (as of September 30, 2023), along with 5 approved projects, will completely exhaust CD 7's EBP in the Project Area. It should be noted that this transmittal includes recommendations which reprogram funds from other CD 7 projects within the Project Area which have been completed or no longer require EBP. These recommendations have been included at the request of CD 7, and carry out CD 7's intentions for its use of EBP within the Project Area.

EWDD ANALYSIS

EWDD has met with CD 7, CAO, and Chief Legislative Analyst staff regarding the Project. The Property consists of multiple one-story commercial buildings, which together measure approximately 18,382 square feet situated on a 50,644 square foot corner lot. In order to carry out its economic development functions, pursuant to Admin. Code Section 22.1008(a), EWDD will serve as the lead department overseeing the negotiation for and acquisition of the Property. EWDD will have jurisdiction over the Property until directed otherwise by Council action. EWDD has completed an appraisal of the Property which carried a fair market value of \$8,000,000 as of March 28, 2024. The purchase price for the Property, as negotiated by EWDD, is \$7,700,000 plus approximately \$7,000 in closing costs, and \$64,653 in miscellaneous related costs (e.g. appraisal, environmental site assessments, CEQA NOE filing). The estimated total Project cost is \$7,771,563. A PSA, to be negotiated between EWDD and the Seller, will be executed upon BOC and Council approvals. The escrow period will be approximately 90 days from the effective date of the PSA, which is the date City Clerk attests the document. The property is occupied, and includes a range of small businesses. The City has no immediate plan to relocate tenants, and anticipates that the terms of the existing leases will remain in place.

The total Project cost of \$7,771,563 will be funded by the following sources:

AB 1290	\$ 892,000
HCID Small Grants and Awards Fund	\$1,000,000
CRA/LA EBP	\$5,879,563
TOTAL	\$7,771,563

The \$5,879,563 of EBP consists of \$586,943 taxable EBP, \$4,309,543 tax-exempt EBP, and Interest (\$983,077 through September 30, 2023). This is sufficient to cover the Project's EBP allocation of \$5,879,563. The EBP and Interest will be used to reimburse the costs of ongoing pre-acquisition work and the acquisition itself as follows:

Appraisal	\$ 5,000
Closing Cost	\$ 7,000
Environmental Site Assessments	\$ 59,488
CEQA NOE Filing	\$ 75
Purchase Price	\$5,808,000
TOTAL	\$5,879,563

Post-acquisition, EWDD will evaluate the possibility of developing the Property into a mixed-use development. Anticipated future economic development elements may include commercial serving retail, incubation spaces for small businesses, affordable housing, and/or workforce housing.

Disbursements will be authorized pursuant to receipt and satisfactory review by EWDD to ensure compliance with bond covenants and the terms and conditions of the BEA and BSP, and that expenditures adhere to the approved spending categories and amounts outlined in this transmittal. EWDD will report on its work accomplishments to

the CAO, and report on fund expenditures on a quarterly and as-needed basis for reports to the BOC, Mayor and CRA/LA.

BENEFITS TO THE AFFECTED TAXING ENTITY

The expenditures set forth in this report will provide community benefits in the Project Area which will benefit the affected taxing entities by expanding the housing and business development opportunities along the San Fernando Road corridor and surrounding areas through acquisition and redevelopment into a Lifestyle Center that has housing and commercial uses. The Property acquisition aims to create new housing such as affordable and/or workforce housing, commercial space and incubation spaces for small business. Providing new housing and commercial opportunities will support community members, helping people live closer to where they work and connecting budding entrepreneurs to the resources they need to turn their concept into a reality. With the East San Fernando Valley Transit Corridor (Metro light rail) coming soon, the acquisition and development of this Property will make a positive economic impact by enhancing key real estate as a community-serving asset by providing new housing, and empowering Valley entrepreneurs to springboard their careers and businesses in their own communities.

ENVIRONMENTAL REVIEW

BOE provided the environmental analysis below:

The proposed Project is exempt pursuant to State CEQA Guidelines, Article 19, Section 15332, Class 32, as in-fill development meeting the conditions described below:

- The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- The project site has no value as habitat for endangered, rare or threatened species.
- Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- The site can be adequately served by all required utilities and public services..

A CEQA NOE (Attachment 3) will be filed with the City Clerk and Los Angeles County Clerk upon Council adoption.

CAO COVENANT REVIEW

The CAO has completed its review of the original bond documents and covenants, and has found that the proposed use of excess bond proceeds, including using tax-exempt EBP to acquire Property, is consistent with those covenants.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA EBP Fund No. 57D is funded solely from transfers of approximately \$86 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174 and 14-1174-S36). Said transfers have been deposited with the Office of the Controller.


Carolyn Hull (May 29, 2024 17:05 PDT)

CAROLYN M. HULL
General Manager

CMH:FJ:DH:JML

ATTACHMENT: 1. Amending Motion (Rodriguez-Park) C. F. 14-1174-S97
 2. Motion (Rodriguez-Park) C. F. 14-1174-S97
 3. Draft CEQA NOE (To be filed by EWDD)

MOTION

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED #51

I MOVE that the Council Action of March 19, 2024 relative to instructing the Economic and Workforce Development Department to pursue the acquisition of real property to facilitate the Culinary Arts Mixed-Use Project (Council file No. 14-1174-S97) BE AMENDED to correct the property address from "13269 West San Fernando Road and associated parcels" to "13269 Van Nuys Boulevard and associated parcels."

PRESENTED BY:

Monica Rodriguez
MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:

Travis Park

ORIGINAL

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APR 02 2024

PK

MOTION

Trade, Travel and Tourism

I MOVE that the TRADE, TRAVEL AND TOURISM COMMITTEE REPORT relative to amending the Council action of June 28, 2023 regarding the Bond Expenditure Agreement between the City of Los Angeles and the CRA/LA regarding the Culinary Arts Mixed-Use Project (Council file No. 14-1174-S97), Item 29 on today's agenda BE AMENDED to replace the action with the following:

Instruct the Economic and Workforce Development Department to report to the CRA/LA Bond Oversight Committee with recommendations on acquiring the property located at 13269 West San Fernando Road and associated parcels; authorize EWDD to negotiate a purchase and sale agreement to support a project that will be suitable for a commercial or mixed-use development under the Lifestyle Center category in accordance with the CRA/LA Bond Expenditure Agreement and Bond Spending Plan (Contract No. C-125212); and to report with necessary funding instructions to implement this action.

PRESENTED BY:

Monica Rodriguez
MONICA RODRIGUEZ
Councilwoman, 7th District

SECONDED BY:

Seviri Park

ORIGINAL

MAP

MAR 15 2024

CITY OF LOS ANGELES
 DEPARTMENT OF PUBLIC WORKS
 BUREAU OF ENGINEERING
 1149 S. BROADWAY, 7th FLOOR
 LOS ANGELES, CALIFORNIA 90015
CALIFORNIA ENVIRONMENTAL QUALITY ACT
NOTICE OF EXEMPTION
 (Articles II and III – City CEQA Guidelines)

Submission of this form is optional. The form shall be filed with the County Clerk, 12400 E. Imperial Highway, Norwalk, California, 90650, pursuant to Public Resources Code Section 21152(b). Pursuant to Public Resources Code Section 21167(d), the filing of this notice starts a 35-day statute of limitations on court challenges to the approval of the project.

LEAD CITY AGENCY AND ADDRESS: City of Los Angeles c/o Bureau of Engineering 1149 S. Broadway, 6 th Floor, MS 939 Los Angeles, CA 90015	COUNCIL DISTRICT 7
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PROJECT TITLE: Pacoima Lifestyle Center Acquisition (W.O. E1909251)	LOG REFERENCE
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PROJECT LOCATION: 13269 Van Nuys Boulevard, within the Arleta - Pacoima Community Plan Area of the City. See Figure 1: Project Location. TG 502- D2 & 502- D3

DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT: The Pacoima Lifestyle Center Acquisition project (Project) consists of property acquisition to implement a Lifestyle Centers Incentive Program. The proposed acquisition site is a commercial property located at 13269 Van Nuys Boulevard and associated parcels (listed on Table 1 of the narrative), henceforth referred to as the Project site or Property. The Property consists of multiple one-story commercial buildings, which together measure approximately 18,382 square feet situated on an approximately 50,644-square-foot area. The purpose of a Lifestyle Centers Incentive Program is to assist developments with infrastructure, predevelopment, or acquisition costs in order to redevelop underutilized shopping center parcels. No specific development or re-development has been identified yet for the Property, however, a potential future commercial or mixed-use redevelopment in accordance with the Community Redevelopment Agency of Los Angeles (CRA/LA) Bond Expenditure Agreement and Bond Spending Plan is anticipated. The benefits/beneficiaries of the Project would include the local community, including potential future businesses and residents (*see narrative for additional information*).

On _____, 2024, the City Council determined the Project is exempt under the California Environmental Quality Act (CEQA) and approved the Project.

CONTACT PERSON Maria Martin	TELEPHONE NUMBER (213) 485-5753
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EXEMPT STATUS: CATEGORICAL EXEMPTION*	CITY CEQA <u>GUIDELINES</u> N/A	STATE CEQA <u>GUIDELINES</u> Sec. 15332
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* See Public Resources Code Sec. 21080 and set forth state and city guidelines provisions.

JUSTIFICATION FOR PROJECT EXEMPTION: This Project is exempt from CEQA pursuant to State CEQA Guidelines Article 19, Section 15332, Class 32, which consists of in-fill development projects. The Project involves in-fill development in an urbanized area. The Project is consistent with the general plan designation, zoning and policies; the site is less than 5 acres; the site has no valuable habitat; it can be adequately served by required utilities and public services; and approval of the project would not result in any significant impacts to traffic, noise, air quality or water quality.

None of the limitations set forth in State CEQA Guidelines 15300.2 apply (see attached narrative).

IF FILED BY APPLICANT, ATTACH CERTIFIED DOCUMENT OF EXEMPTION FINDING

SIGNATURE: <i>Pending project approval.</i> Maria Martin	TITLE: Environmental Affairs Officer Environmental Management Group	DATE: TBD
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RECEIPT NO.	REC'D BY	DATE
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Figure 1: Project Location



CATEGORICAL EXEMPTION NARRATIVE**I. PROJECT DESCRIPTION, CONTINUED**

The City, through the Economic and Workforce Development Department (EWDD), proposes to acquire the Property at 13269 Van Nuys Boulevard and associated parcels listed on Table 1 below, for potential future use as the Pacoima Lifestyle Center.

Table 1: Parcel Information		
Address	APN	Area in Square Feet
10801 N. San Fernando Road	2619-017-001	17,593
10807 N. San Fernando Road		
13265 W. Van Nuys Boulevard		
13267 W. Van Nuys Boulevard		
13269 W. Van Nuys Boulevard		
13273 W. Van Nuys Boulevard	2619-017-004	8,500
13296 W. Van Nuys Boulevard		
13277 W. Van Nuys Boulevard	2619-017-030	8,244
10823 N. San Fernando Road	2619-017-002	3,051
10825 N. San Fernando Road		2,600
None	2619-017-035	2,079
13277 Pinney Street	2619-017-026	3,250
13301 Pinney Street	2619-017-024	3,250

The Project site is zoned [Q]C2-1VL-O-CDO-CUGU with a Community Commercial General Plan land use designation. The Property is developed with multiple one-story commercial buildings, with a combined floor area of approximately 18,382 square feet on an approximately 50,644-square-foot area.

The Property is occupied by a range of small businesses, including dental, bakery, restaurant, and beauty salon. Surrounding land uses include commercial uses, a church, and a railroad right-of-way to the east. The City has no immediate plan to relocate tenants and anticipates that the terms of the existing leases will remain in place. Post-acquisition, EWDD will evaluate the possibility of developing the Property into a mixed-use development. Anticipated future economic development elements may include commercial serving retail, incubation spaces for small businesses, affordable housing, and/or workforce housing.

Although no specific plans are yet available for the Property, the Project aims to create new housing, such as affordable and/or workforce housing, commercial space and incubation spaces for small businesses. Providing new housing and commercial opportunities will support community members, helping people live closer to where they work and connecting budding entrepreneurs to the resources they need to turn their concept into a reality. With the East San Fernando Valley Transit Corridor (Metro light rail) coming soon, the acquisition and development or redevelopment of this Property is anticipated to make a positive economic impact by enhancing key real estate as a community-serving asset. Based on the site's zoning and conditions, approximately 24 to 35 dwelling units may be added to the Project site. The potential redevelopment of the Project site is not anticipated to substantially increase vehicle

trips or traffic congestion as it is intended to serve the local community. The Project is not anticipated to result in aesthetic or visual impacts because the redeveloped site is anticipated to be consistent with the Project site's use, zoning, scale, and density (RD2 [per Q Condition] one dwelling unit per 2000 square feet with a 35% density bonus); and consistent with the site and surrounding community.

As applicable, the construction work would be performed in accordance with Work Area Traffic Control Handbook (WATCH) as required by the California Manual on Uniform Traffic Control Devices (CA MUTCD) published by the California Department of Transportation (Caltrans). Construction crews would coordinate with schools and Los Angeles Department of Transportation and provide flaggers when required. When any nearby Project activity encroaches upon a sidewalk, walkway or crosswalk area, pedestrians shall be provided warning if they are detoured away from the construction site. Advance notification of sidewalk closures shall be provided in mail by at least one lane of traffic in each direction would be maintained.

In the event that unanticipated historical artifacts were encountered during construction, the City will follow Standard Specifications for Public Works Construction, Section 6-6.2, (Greenbook, 2021), which states: "If discovery is made of items of archaeological or paleontological interest, the Contractor shall immediately cease excavation in the area of discovery and shall not continue until ordered by the Engineer." Therefore, during activities in which there will be ground disturbances (i.e., digging, drilling, etc.) if any evidence of archaeological, cultural, or paleontological resources is found, all work within the vicinity of the find shall stop until a qualified archaeologist can assess the find and makes recommendations. No excavation of any find should be attempted by project personnel unless directed by a qualified archaeologist. Construction activities may continue in other areas. If the discovery proves significant under CEQA (Section 15064.5f; Public Resources Code or PRC 21082), additional work such as testing, or data recovery may be warranted.

The discovery of human remains is always a possibility during ground disturbances; State of California Health and Safety Code Section 7050.5 states that no further disturbance shall occur until the Los Angeles County Coroner has made a determination of origin and disposition pursuant to PRC Section 5097.98. The Los Angeles County Coroner must be notified of the find immediately. If the human remains are determined to be prehistoric, the Coroner will notify the Native American Heritage Commission, which will determine and notify a Most Likely Descendent (MLD). The MLD shall complete the inspection of the site within 48 hours of notification and may recommend scientific removal and nondestructive analysis of human remains and items associated with Native American burials.

This Project may involve routine construction work to re-develop an existing commercial property. Standard conditions and construction practices will be implemented for this Project. No unusual construction noise or traffic effects are anticipated. The Los Angeles Municipal Code Section 111 would be applicable for construction hours from 7:00 am to 9:00 pm on Monday through Friday and from 8:00 am to 6:00 pm on Saturdays.

Unless otherwise stated, the proposed Project will be designed, constructed and operated following all applicable laws, regulations, ordinances and formally adopted City standards including but not limited to:

- Los Angeles Municipal Code
- Project Specific Standard Plans
- Standard Specifications for Public Works Construction "Greenbook"
- Work Area Traffic Control Handbook
- Additions and Amendments to the Standard Specifications for Public Works Construction

II. ENVIRONMENTAL REVIEW

Basis for Categorical Exemption

The proposed Project is exempt from CEQA pursuant to State CEQA Guidelines Article 19, Section 15332, *In-fill Development Projects*. Class 32 consists of projects characterized as in-fill development meeting the conditions described below:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

The Project is located on a privately-owned Property with a Community Commercial land use designation and is zoned [Q]C2-1VL-O-CDO-CUGU, which allows for the mixed use redevelopment that may occur at the Project site after acquisition. The Project is consistent with the land use designation and current and proposed uses as it allows the potential mixed commercial and residential uses.

- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The Project site is developed with commercial uses and is approximately 50,644 square feet, which is less than five acres. The site is surrounded by urban uses with commercial uses and a church located to the north, dental and pet clinics to the west, a restaurant and commercial uses to the south, and a railroad right-of-way to the east across San Fernando Road.

- (c) The project site has no value as habitat for endangered, rare or threatened species.

The Project site is in a highly urbanized area and is developed with commercial uses and surface parking and is surrounded by active streets and urban uses. Although it contains trees, given the location, type of trees, landscaped areas and site use, it is not considered as having value for endangered or threatened species. The project will comply applicable regulations, including with the Migratory Bird Treaty Act MBTA and California Fish and Game Code Sections 3503 and 3503.5, if any tree removal were to be included in future redevelopment, thus it is not anticipated to impact any potential nesting birds.

- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

The project would not result in any significant effects related to traffic, noise, air quality, or water quality. Refer to Section 3. Significant Effect below for additional information regarding potential impacts in these areas.

- (e) The site can be adequate served by all required utilities and public services.

The Project site is developed with commercial uses that are served by public utilities and public services, including water, sewer, and waste disposal.

Consideration of Potential Exceptions to use of a Categorical Exemption

The State CEQA Guidelines (CCR Sec 15300.2) limit the use of categorical exemptions in the following circumstances:

- 1. Location.** Exemption Classes 3, 4, 5, 6, and 11 are qualified by consideration of where the project is to be located – a project that is ordinarily insignificant in its impact on the environment may be significant in a particularly sensitive environment. Therefore, these classes are considered to apply all instances except where the project may impact on an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies.

The Project is located in an infill area that has been previously developed and no impact to sensitive environment is expected. The site is developed and currently includes various commercial uses and surface parking. The potential future redevelopment intends to add new housing and commercial opportunities that will support community members, helping people live closer to where they work and connecting them with local resources. According to Navigate LA and the City's General Plan, the site is not located on an area with an environmental resource of critical concern. Therefore, this exemption does not apply.

- 2. Cumulative Impact.** This exception applies when, although a particular project may not have a significant impact, the cumulative impact of successive projects of the same type in the same place, over time is significant.

There are no other known projects that overlap with this Project in the same site and of the same type. Thus, this project is not expected to result in a cumulative impact when combined with successive projects of the same type in the same place, over time.

- 3. Significant Effect.** This exception applies when, although the project may otherwise be exempt, there is a reasonable possibility that the project will have a significant effect due to unusual circumstances.

Air Quality

Based on a construction scenario by the South Coast Air Quality Management District (SCAQMD), for work on a two-acre project site, that includes demolition, grading and construction of an 87,000 square foot structure, the Project, which would potentially construct approximately 24 to 35 dwelling units, which would be less than 87,000 square feet, within an active construction area less than two acres in site, is not anticipated to exceed the South Coast Air Quality Management District (SCAQMD) construction thresholds. The Project site is an active commercial center. It is not unusual for facilities such as these to undergo redevelopment due to underutilization. The Project is a local serving project. Therefore, no reasonable possibility that the project will have a significant effect to air quality due to unusual circumstances has been identified.

Biological Resources

The Project site is an active neighborhood commercial center. If any of the trees onsite, which appear to be ornamental species, were to be removed during the redevelopment of the site, the removal would be conducted in accordance with applicable City policies and guidelines, including replacement ratios. The Project would also include best management practices for compliance with the Migratory Bird Treaty Act and California Fish and Game Code Sections 3503 and 3503.5. It is not unusual for underutilized commercial facilities to undergo upgrades or redevelopment. Such projects often include tree removal. Although it is not currently known if any onsite trees would require removal, with applicable tree replacement and adherence to applicable regulations as described herein, no reasonable possibility that the Project will have a significant effect on biological resources due to unusual circumstances has been identified. Therefore, this exception has no application to this Project.

Cultural Resources

The neighborhood commercial center on the Project site dates from 1949, has gone through various alterations over time, and was not identified as a historic resource in SurveyLA or the Historic Resources Survey Report for the Arleta-Pacoima Community Plan Area.

No known archaeological resources are anticipated within the Project site. However, as indicated above, "Greenbook" Standard Specification would be used in the event that unanticipated resources were encountered during construction. With the implementation of these standard specifications, the proposed Project is not anticipated to result in any significant impacts related to archaeological resources.

No known cultural resources occur within the Project site, the potential site redevelopment and construction methodology are not unique or unusual, thus no reasonable possibility that the Project will have a significant effect on cultural resources due to unusual circumstances has been identified. Therefore, this exception has no application to this Project.

Hazards & Hazardous Materials - Hazardous Waste

As of May 28, 2024, the Property is not listed as a hazardous materials site in EnviroStor.

No redevelopment plan is yet available. However, due to the age of the neighborhood commercial center, if demolitions activities were included, some of the commercial buildings may contain asbestos tiles and lead based paint as is typical of buildings of this age in the City as applicable, per regulatory requirements, a pre-demolition survey and abatement services would be performed, and all applicable hazardous materials regulations would be followed. It is not unusual during demolition activities involving buildings of such age to encounter such materials which shall be handled in accordance with applicable South Coast Air Quality Management District regulations. Therefore, no impacts related to hazards and hazardous materials are expected.

Traffic and Transportation

The Project site is a neighborhood commercial center. The Project is a local serving, low traffic and low VMT-generating land use. The Project's main goals are to maintain the existing neighborhood commercial center, create new housing, such as affordable and/or workforce housing that would help people live closer to where they work; commercial space, and incubation spaces for small businesses.

Water Quality

The Project site is an active neighborhood commercial center and operations are not anticipated to change substantially, rather operate more efficiently by housing some of the local workforce. During construction, applicable standard specifications for stormwater management for projects of this size will be followed by the contractor that would manage any potential off-site flow. Thus, no unusual circumstances have been identified and no impacts related to water quality are anticipated.

4. Scenic Highway. A categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.

No scenic highway is located within the vicinity of the project or within the project site (<https://dot.ca.gov/programs/design/lap-landscape-architecture-and-community-livability/lap-liv-i-scenic-highways>).

Since the proposed project is not within a state designated scenic highway or within sight of any state designated scenic highway, this exception has no application.

5. Hazardous Waste Site. This exception applies when a project is located on a site listed as a hazardous waste site under Government Code Section 65962.5.

As of May 28, 2024, the project site is not listed as a hazardous waste site under Government Code Sections 65962.5, per State Department of Toxic Substances Control (DTSC) (Envirostor at www.envirostor.dtsc.ca.gov) the California Regional Water Quality Control Board (RWQCB) (Geotracker at <https://geotracker.waterboards.ca.gov/>). Therefore, this exception does not apply.

6. Historical Resources. This exception applies when a project may cause a substantial adverse change in the significance of a historical resource.

As indicated above, the Project is not anticipated to result in a substantial adverse change in the significance of a historical resource and is not considered a historical resource for the purposes of CEQA. Additionally, BMPs will be implemented to manage any unanticipated cultural finds.

For the reasons state above, no substantial adverse impact to cultural resources, including historical resources, is anticipated, and as such this exception does not apply.

III. REFERENCES

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