DEPARTMENT OF CITY PLANNING

RECOMMENDATION REPORT

City Planning Commission

Date: August 11, 2016
Time: 8:30 a.m.*
Place: Los Angeles City Hall
200 N. Spring Street, Room 350
Los Angeles, CA 90012

Public Hearing Completed: June 21, 2016
Appeal Status: Not Appealable to City Council

Case No.: CPC-2014-1772-DA
CEQA No.: ENV-2014-1773-EIR
SCH No. 2014071054
Incidental Cases: CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR; VTT-72914; VTT-72914-1A
Related Cases: None
Council No.: 9 - Curren D. Price, Jr.
Plan Area: Southeast Los Angeles
Specific Plan: South Los Angeles Alcohol Sales
Certified NC: South Central

Applicant: PHR LA MART, LLC

Representative: Edgar Khalatian – Mayer Brown, LLP

PROJECT LOCATION: 1900 South Broadway

PROPOSED PROJECT: Development Agreement for the provision of community benefits with a combined value of $15,250,000 in exchange for a proposed term of 20 years.

REQUESTED ACTION:

ENV-2014-1773-EIR

1) Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, the **Consideration and Certification** of the Environmental Impact Report (EIR), ENV-2014-1773-EIR, SCH No. 2014071054, for the above-referenced project, and Adoption of the Statement of Overriding Considerations setting forth the reason and benefits of adopting the EIR with full knowledge that significant impacts may remain;
2) Pursuant to Section 21801.6 of the California Public Resources Code, the **Adoption** of the proposed Mitigation Measures and Mitigation Monitoring Program; and,
3) Pursuant to Section 21081 of the California Public Resources Code, the **Adoption** of the required Findings for the adoption of the EIR;

CPC-2014-1772-DA

1) Pursuant to California Government Code Sections 65864-65869.5, a Development Agreement between the Developer and the City of Los Angeles, for a term of 20 years.

ACTIONS TO BE CONSIDERED BY THE CITY PLANNING COMMISSION:

ENV-2014-1773-EIR

1. Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, the **Consideration and Certification** of the Environmental Impact Report (EIR), ENV-2014-1773-EIR, SCH No. 2014071054, for the above-referenced project, and Adoption of the Statement of Overriding Considerations setting

forth the reason and benefits of adopting the EIR with full knowledge that significant impacts may remain:

a. Pursuant to Section 21801.6 of the California Public Resources Code, the **Adoption** of the proposed Mitigation Measures and Mitigation Monitoring Program; and

b. Pursuant to Section 21081 of the California Public Resources Code, the **Adoption** of the required Findings for the adoption of the EIR; and

CPC-2014-1772-DA

1. **Recommend** that the City Planning Commission **Recommend** that the City Council enter into the 'Reef Project Development Agreement', pursuant to California Government Code Sections 65864-65869.5, by the Developer and the City of Los Angeles, subject to the terms and recommendations as Exhibit 'A', for a term of approximately 20 years;
2. **Recommend** that the City Council **Adopt** an ordinance, attached as Exhibit B, and subject to review by the City Attorney as to form and legality, authorizing the execution of the subject Development Agreement; and,
3. **Recommend** that the City Council **Adopt** the attached Findings as the City Council's Findings of Approval.
4. **Advise** the Applicant that, pursuant to California State Public Resources Code Section 21081.6, the City shall monitor or require evidence that mitigation conditions are implemented and maintained throughout the life of the project and the City may require any necessary fees to cover the cost of such monitoring.
5. **Advise** the Applicant that, pursuant to State Fish and Game Code Section 711.4, a Fish and Game and/or Certificate of Game Exemption is now required to be submitted to the County Clerk prior to or concurrent with the Environmental Notices and Determination (NOD) filing.

VINCENT P. BERTONI, AICP
Director of Planning

Sarah Molina Pearson
City Planner

Luciralia Ibarra
Senior City Planner

for
Charles J. Rausch, Jr.
Associate Zoning Administrator

***ADVICE TO PUBLIC:** *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012* (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent out the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213)978-1300.

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Exhibits:

A - Development Agreement

B - Proposed Ordinance

A copy of the Environmental Impact Report (ENV-2014-1773-EIR) is available at:
http://planning.lacity.org/eir/TheReef/TheReefCoverPg.html

PROJECT ANALYSIS

Project Description

The Reef Project Development Agreement is proposed in conjunction with the development of a mixed-use project on an approximately 9.7-acre site comprised of two City blocks. The project replaces existing surface parking lots with 1,444 residential units; 40,045 square feet of retail space; a 29,355 square-foot grocery store; 27,657 square feet of restaurant/bar space; a 17,507 square-foot gallery; a 1,622 square-foot community room, a 7,879 square foot fitness/yoga studio; and a 208-key hotel. The existing 861,162 square-foot Reef building includes the addition of an 8,000 square-foot, rooftop restaurant. The project also includes 2,512 vehicle parking spaces and 1,906 bicycle parking spaces.

As part of the proposed development, the applicant is seeking to enter into a Development Agreement with the City that would vest the entitlements for a term of 20 years. The applicant has undertaken extensive outreach with several stakeholders and community groups and has committed to the provision of community benefits in the areas of: Jobs/Economic Development, Youth Activities/Recreation, Public Safety/Health, and Affordable Housing. Several non-profit and community-based groups have been identified to receive direct contributions from the developer, as outlined below.

Benefit/Recipient	Amount	Purpose	Timing
Jobs/Economic Development			
CRCD (Coalition for Responsible Community Development)	$500,000	Job training, case management and employment placement focused on preparing CD9 residents for construction and permanent hotel jobs both at the project and throughout the City.	$80k Annually for 5 years
Concerned Citizens of South Central	350,000	Job training, case management and employment placement focused on preparing CD9 residents for construction and permanent hotel jobs at the project and throughout the City.	$60k Annually for 5 years
Central Ave BID	175,000	Assistance for small businesses along Central Avenue, including improving economic vitality for each individual assessed parcel in the District.	$25k Annually for 5 years
LA City Economic & Workforce Dev Dept.	200,000	Establish a micro-loan fund to assist entrepreneurs to create new businesses in CD9.	$58,333 installments @ CofO for each of Phase 1, 2, & 3
SUBTOTAL	1,225,000		
Youth Activities/ Recreation			
South Central Sports League - APCH - All People's - Each Participant Org.	$400,000 $37,500 $37,500 $25,000	Support for local youth sports leagues with participation from approx. 13 S. Central LA-area nonprofit groups to help offset costs for administering league and referee fees as well as equipment, uniforms, etc. so local youth can participate at no cost.	@ CofO Reef Signage @ CofO Reef Signage @ CofO Reef Signage @ CofO Reef Signage
Soledad Enrichment Action	$50,000	After school education programs for local youth.	$10k @ CofO Reef Signage; $25k CofO Phase 1; $15k @ CofO Phase 2
Urban Txt	$100,000	Computer coding classes for CD9 youth.	$25k @ Reef Signage $25k installments @ CofO for each of Phase 1, 2, & 3
Idle Mindz	$50,000	Hands on training in employment readiness, entrepreneurial training, and financial literacy through the culinary arts.	$25k @ CofO Reef Signage; $5k Annually for 5 years
Young Peacemakers/	$50,000	After school activities, including nutrition	$25k @ CofO Reef Signage;

Community of Christ		classes, neighborhood clean-up, and promoting access to health care.	$5k Annually for 5 years
El Santo Nino	$100,000	Support for community center that provides ESL classes, after-school tutoring and child care.	$10k @ CofO Reef Signage; $30k @ CofO for each of Phase 1, 2, and 3
Avalon Carver Community Center	$150,000	Support for community center that provides free meals, tutoring, and other services to the local community.	$30k @ CofO Reef Signage; $40k @ CofO for each of Phase 1, 2, &3
North South Sports League	$100,000	Support for athletic activities available to low-income youth regardless of ability to pay.	$10k @ CofO Reef Signage; $30k @ CofO for each of Phase, 1, 2, & 3
LA Demos	$50,000	Youth football program based at Jefferson High School.	$5k @ CofO Reef Signage; $15k @ CofO for reach of Phase 1, 2, &3
SUBTOTAL	$1,150,000		
Public Safety/Health			
L.A.U.R.A (Life After Uncivil Ruthless Acts)	$200,000	Empowering youth, victim-survivors, and their families through civic awareness; facilitating community collaboration and bringing a wide range of resources to the community.	$50k @ CofO Reef Signage; $30k annually for 5 years
LAPD PAALs/Cadets (Police Athletic & Activities League/Cadets)	$75,000	Support for youth activities programs at Newton Police Station.	$25k @ CofO Reef Signage; $25k @ CofO for each of Phase 1 & 2
Walker Temple	$100,000	Funding for programs to support healthy living and gang intervention.	$25k @ CofO for each of Phase, 1, 2, & 3
Ward EDC (Ward African Methodist Episcopal Church Economic Development Corporation)	$150,000	Funding for programs to support healthy living and gang intervention.	$15k @ CofO Reef Signage; $37.5k @ CofO Phase 1; $45k @ Phase 2; $52.5k @ CofO Phase 3
Total Restoration Church	$150,000	Funding for programs to support healthy living and gang intervention.	$15k @ CofO Reef Signage; $37.5k @ CofO Phase 1; $45k @ CofO Phase 2; $52.5k @ CofO Phase 3
SUBTOTAL	$675,000		
CD9 Affordable Housing Trust Fund	$12,000,000	To facilitate development of affordable housing within CD 9 and towards the purchase of expiring restricted affordable housing covenants.	$8,310.25 Per/Residential unit CofO Received
TOTAL	**15,050,000**		

The proposed benefits are diverse and cover a range of purposes, with some benefits linked directly to existing City programs, such as the Affordable housing Trust Fund. Others are designed to fund local community organizations. The enforcement and implementation of any community benefits program will require careful legal review. After careful consideration of the proposed benefits, Planning staff recommends that the City Planning Commission direct staff to continue to work with the Office of the City Attorney to determine the best method to deliver benefits, including inclusion in the development agreement, or in third-party or other agreements. The applicant may elect to enter into separate third party agreements with these groups. The Development Agreement is a contract between the City of Los Angeles and the Developer (and/or his/her successors in interest). The public benefits associated with the Development Agreement, which is an extension of the Project, are intended to have a direct economic and/or physical benefit to the built environment, make physical investments that improve livability, invoke place-making, and facilitate additional investment in the community. In addition, Section 7.18 of the Development Agreement terms states:

> "The only parties to this Agreement are the City and Developer and their successors-in-interest. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed to benefit or be enforceable by any other person whatsoever."

In addition, Planning staff recommends that the City Planning Commission consider the following benefits, where changes reflected in ~~strikeout~~ are for deletions from the Applicant's proposed language and in red underline for Planning staff additions.

Department of City Planning – DEVELOPMENT AGREEMENT RECOMMENDATIONS

Benefit/Recipient	Amount	Purpose	Timing
Street Trees City Plants	$ 200,000	Covers the procurement/ delivery, planting labor, concrete cut, maintenance, watering, stakes/ties/ arbor guards, administration/ accounting of trees at off-site locations.	$100,000 @ Building Permit Phase 1 $100,000 @ Building Permit Phase 2
Digital Signage Public Service Announcements	N/A	Make available for use by a Public Service/ Government agency to provide updates regarding public events, services, transit information, and may include information for LATTC or other not-for-profit educational institutions	One minute for every 10 minutes on any individual digital sign
CD9 Affordable Housing Trust Fund	$12,000,000	To facilitate development of affordable housing within CD 9 and towards the purchase of expiring restricted affordable housing covenants.	~~$8,310.25 Per/Residential unit CofO Received~~ $6 million Prior to issuance of Building Permit Phase 2 $6 million Prior to issuance of Building Permit Phase 3
SUBTOTAL	200,000		
TOTAL	**15,250,000**		

In addition, Planning staff recommends that the City Planning Commission direct the applicant to provide the following additional components to the Development Agreement:

- That a draft Project Labor Agreement be provided as an Exhibit to the Development Agreement prior to the Commission Office's transmittal of the City Planning Commission's action on this matter;
- That the provisions of the Local Hiring Program be provided as an Exhibit to the Development Agreement prior to the Commission Office's transmittal of the City Planning Commission's action on this matter.

Background

The project is proposed to be developed in three phases, with the west block, including the parking structure proposed as Phase 1. The parking structure will need to be operational prior to any construction of the east block (Phases 2 and 3) in order to provide ongoing parking for the continued operation of the Reef and to not otherwise impede longstanding events and exhibitions that occur at the Reef. The Phasing Plan below is also included in the Development Agreement as Exhibit 'B'.

Public Hearing

A joint public hearing was held on behalf of the City Planning Commission and the Deputy Advisory Agency on Tuesday, June 21, 2016 at 8:30 am in City Hall room 350. In accordance with Section 12.32 of the LAMC and California Government Code Section 65867, the notice was mailed to all owners and occupants within 500 feet of the project site, as well as to all owners and occupants within 500 to 1,000 feet of the project site and commenter's and interested parties from the Draft EIR on May 25, 2016. The notice was also published in the Daily Journal on May 27, 2016 and was posted at the project site on June 10, 2016.

Environmental Impact Report

The project was reviewed by the Los Angeles Department of City Planning, Environmental Analysis Section (serving as Lead Agency) in accordance with the requirements of the CEQA. The City prepared an Initial Study in accordance with Section 15063(a) of the State CEQA Guidelines. Pursuant to the provisions of Section 15082 of the State CEQA Guidelines, the City then circulated a Notice of Preparation (NOP) to State, regional and local agencies, and members of the public for a 30-day period commencing on July 16, 2014 and ending August 15, 2014. The purpose of the NOP was to formally inform the public that the City was preparing a Draft EIR for the project, and to solicit input regarding the scope and content of the environmental information to be included in the Draft EIR.

In addition, a public scoping meeting was conducted on July 30, 2014, to further inform the public agencies and other interested parties of the project and to solicit input regarding the Draft EIR. The meeting provided interested individuals, groups, and public agencies the opportunity to provide oral and written comments to the Lead Agency regarding the scope and focus of the Draft EIR as described in the NOP and Initial Study. Written comment letters responding to the NOP were submitted to the City by public agencies and interested organizations. Comment letters were received from nine public agencies. Also, written comments were provided by three interested organizations and/or individuals via mail, e-mail or submittal at the NOP scoping meeting. The NOP letters and comments received during the comment period, as well as comment sheets from the public scoping meeting, are included in Appendices I-2 and I-3 of the Draft EIR.

The Draft EIR evaluated in detail the potential effects of the project. It also analyzed the effects of a reasonable range of five alternatives to the project, including a "No Project" alternative. The Draft EIR for the project (State Clearinghouse No. 2014071054), incorporated herein by reference in full, was prepared pursuant to CEQA and State, Agency, and City CEQA Guidelines (Pub. Resources Code § 21000, et seq.; 14 Cal. Code Regs. §15000, et seq.; City of Los Angeles Environmental Quality Act Guidelines). The Draft EIR was circulated for a 47-day public comment period beginning on September 17, 2015, and ending on November 2, 2015, beyond the 45 days required by CEQA Guidelines Section 15105(a). Copies of the written comments received are provided in the Final EIR. Pursuant to Section 15088 of the CEQA Guidelines, the City, as Lead Agency, reviewed all comments received during the review period for the Draft EIR and responded to each comment in Section III of the Final EIR.

The City published a Final EIR for the project on June 10, 2016, which is hereby incorporated by reference in full. The Final EIR is intended to serve as an informational document for public agency decision-makers and the general public regarding objectives and components of the project. The Final EIR addresses the environmental effects associated with implementation of the project, identifies feasible mitigation measures and alternatives that may be adopted to reduce or eliminate these impacts, and includes written responses to all comments received on the Draft EIR during the public review period. Responses were sent to all public agencies that made comments on the Draft EIR at least 10 days prior to certification of the Final EIR pursuant to CEQA Guidelines Section 15088(b). In addition, all individuals that commented on the Draft EIR also received a copy of the Final EIR. The Final EIR was also made available for review on the City's website. Hard copies of the Final EIR were also made available at four libraries and the City Department of Planning. Notices regarding availability of the Final EIR were sent to those within a 500-foot radius of the project site as well as individuals who commented on the Draft EIR, attended the NOP scoping meeting, or provided comments during the NOP comment period.

The EIR further identified the following areas where impacts would result in significant and unavoidable impacts:

- Aesthetics (visual character, lighting, shade/shadow);
- Air Quality (construction and operations, freeway adjacent health risk);
- Noise (cumulative traffic noise); and
- Traffic/Transportation (intersection impact, driveway impact)

A duly noticed public hearing for the project was held by the Hearing Officer/Deputy Advisory Agency on behalf of the City Planning Commission on June 21, 2016. The EIR was certified by the Deputy Advisory Agency on July 6, 2016 in conjunction with the approval of Case No. VTT-72914. The tract map was appealed and is before the City Planning Commission for its review and consideration.

The documents and other materials that constitute the record of proceedings on which the City's CEQA findings are based are located at the Department of City Planning, Environmental

Review Section, 200 North Main Street, Room 750, Los Angeles, California 90012. This information is provided in compliance with CEQA Section 21081.6(a)(2).

Conclusion/Recommendation

In consideration of the foregoing, Planning staff recommends that the City Planning Commission accept Planning staff's proposed modifications to the provision of benefits identified in the Development Agreement, and as previously noted, that the City Planning Commission recommend that the City Council enter into a Development Agreement with the Applicant reflecting the Commissions actions to the terms of the Development Agreement.

FINDINGS

1. Pursuant to California Government Code Sections 65864-65869.5, a Development Agreement be entered into by mutual consent of the parties. An application for a Development Agreement was filed on May 19, 2014, establishing the applicant's consent to enter into a Development Agreement.

2. The City of Los Angeles ("City") has adopted rules and regulations establishing procedures and requirements for consideration of development agreements under Citywide Development Agreement Procedures (CF 85-2313-S3). In addition, on November 19, 1992, the City Planning Commission adopted new guidelines for the processing of development agreement applications (CPC No. 86-404 MSC).

3. In accordance with Section 12.32 of the LAMC and California Government Code Section 65867, notification within a 500-foot radius of the project site was mailed via United States Postal Service on May 25, 2016 to all occupants and property owners, interested parties, commenter's of the DEIR, neighborhood council and others identified in the mailing affidavit located in the administrative record. Further, notice of the public hearing was also published in the Daily Journal on May 25, 2016; verification of which is provided in the administrative record. In accordance with Section 12.32 C 4(c), posting for the site was done on June 10, 2016.

4. Pursuant to California Government Code Section 65867.5, the Development Agreement is consistent with the objectives, policies, and programs specified in the City of Los Angeles General Plan, including the Southeast Los Angeles Community Plan adopted by City Council on August 6, 1997 and again on March 22, 2000. Orderly development of the project site is further governed by Case No. CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR, wherein a Zone Change from [Q]M1-2-O and M1-2-O to (T)(Q)C2-2-O-SN, and a General Plan Amendment from Limited Manufacturing to Community Commercial and modification of Footnote No. 1, to be considered for adoption by resolution by the City Council. The project site is also located within South Central Los Angeles Alcohol Sales specific plan.

5. This Development Agreement is administrative and technical in nature and will have no impact on the project under Environmental Impact Report ENV-2014-1773-EIR (State Clearinghouse No. 2014071054) to be certified by the City Council upon their consideration of the Zone Change, General Plan Amendment and Sign District. Moreover, the provisions of the Development Agreement do not grant the project or the project applicant any exceptions, variances, or otherwise allows the applicant to deviate from the required development regulations of the Code. The intent of the Development Agreement is to merely extend the life of the entitlements to a specified term. The proposed Development Agreement will not be detrimental to the public health, safety and general welfare. Approval of the Development Agreement will promote the expeditious delivery of public benefit monies directly from the applicant to the identified parties for the provision of, but not limited to, economic development, recreation, public safety and affordable housing.

6. The Development Agreement provides public benefits in the form of $15,250,000 towards jobs, economic development, youth activities, recreation, public safety, health and affordable housing to benefit residents of Council District 9. Moreover, the Development Agreement includes a Project Labor Agreement and local hiring commitments intended to give priority to local residents.

7. The Development Agreement complies in form and substance with all applicable City and State regulations governing development agreements.

8. Based upon the above Findings, the proposed Development Agreement is deemed consistent with public necessity, convenience, general welfare and good zoning practice.

9. **CEQA FINDINGS**

I. INTRODUCTION

The Environmental Impact Report (EIR), consisting of the Draft EIR and the Final EIR, is intended to serve as an informational document for public agency decision-makers and the general public regarding the objectives and components of the project at 1900 South Broadway, Los Angeles. PHR LA MART LLC (applicant) filed a Master Land Use Application with the City of Los Angeles (City) on May 1, 2014.

II. ENVIRONMENTAL DOCUMENTATION BACKGROUND

The project was reviewed by the Los Angeles Department of City Planning, Environmental Analysis Section (serving as Lead Agency) in accordance with the requirements of the CEQA. The City prepared an Initial Study in accordance with Section 15063(a) of the State CEQA Guidelines. Pursuant to the provisions of Section 15082 of the State CEQA Guidelines, the City then circulated a Notice of Preparation (NOP) to State, regional and local agencies, and members of the public for a 30-day period commencing on July 16, 2014 and ending August 15, 2014. The purpose of the NOP was to formally inform the public that the City was preparing a Draft EIR for the project, and to solicit input regarding the scope and content of the environmental information to be included in the Draft EIR.

In addition, a public scoping meeting was conducted on July 30, 2014, to further inform the public agencies and other interested parties of the project and to solicit input regarding the Draft EIR. The meeting provided interested individuals, groups, and public agencies the opportunity to provide oral and written comments to the Lead Agency regarding the scope and focus of the Draft EIR as described in the NOP and Initial Study. Written comment letters responding to the NOP were submitted to the City by public agencies and interested organizations. Comment letters were received from nine public agencies. Also, written comments were provided by three interested organizations and/or individuals via mail, e-mail or submittal at the NOP scoping meeting. The NOP letters and comments received during the comment period, as well as comment sheets from the public scoping meeting, are included in Appendices I-2 and I-3 of the Draft EIR.

The Draft EIR evaluated in detail the potential effects of the project. It also analyzed the effects of a reasonable range of five alternatives to the project, including a "No Project" alternative. The Draft EIR for the project (State Clearinghouse No. 2014071054), incorporated herein by reference in full, was prepared pursuant to CEQA and State, Agency, and City CEQA Guidelines (Pub. Resources Code § 21000, et seq.; 14 Cal. Code Regs. §15000, et seq.; City of Los Angeles Environmental Quality Act Guidelines). The Draft EIR was circulated for a 47-day public comment period beginning on September 17, 2015, and ending on November 2, 2015, beyond the 45 days required by CEQA Guidelines Section 15105(a). Copies of the written comments received are provided in the Final EIR. Pursuant to Section 15088 of the CEQA Guidelines, the City, as Lead Agency, reviewed all comments received during the review period for the Draft EIR and responded to each comment in Section III of the Final EIR.

The City published a Final EIR for the project on June 10, 2016, which is hereby incorporated by reference in full. The Final EIR is intended to serve as an informational

document for public agency decision-makers and the general public regarding objectives and components of the project. The Final EIR addresses the environmental effects associated with implementation of the project, identifies feasible mitigation measures and alternatives that may be adopted to reduce or eliminate these impacts, and includes written responses to all comments received on the Draft EIR during the public review period. Responses were sent to all public agencies that made comments on the Draft EIR at least 10 days prior to certification of the Final EIR pursuant to CEQA Guidelines Section 15088(b). In addition, all individuals that commented on the Draft EIR also received a copy of the Final EIR. The Final EIR was also made available for review on the City's website. Hard copies of the Final EIR were also made available at four libraries and the City Department of Planning. Notices regarding availability of the Final EIR were sent to those within a 500-foot radius of the project site as well as individuals who commented on the Draft EIR, attended the NOP scoping meeting, or provided comments during the NOP comment period.

A duly noticed public hearing for the project was held by the Hearing Officer/Deputy Advisory Agency on behalf of the City Planning Commission on June 21, 2016.

The documents and other materials that constitute the record of proceedings on which the City's CEQA findings are based are located at the Department of City Planning, Environmental Review Section, 200 North Main Street, Room 750, Los Angeles, California 90012. This information is provided in compliance with CEQA Section 21081.6(a)(2).

III. FINDINGS REQUIRED TO BE MADE BY LEAD AGENCY UNDER CEQA

Section 21081 of the California Public Resources Code and Section 15091 of the State CEQA Guidelines (the "Guidelines) require a public agency, prior to approving a project, to identify significant impacts and make one or more of three possible findings for each of the significant impacts.

A. The first possible finding is that "[c]hanges or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR." (Guidelines Section 15091 (a)(1)); and

B. The second possible finding is that "[s]uch changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency." (Guidelines Section 15091(a)(2)); and

C. The third possible finding is that "[s]pecific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible, the mitigation measures or Project alternatives identified in the final EIR." (Guidelines, Section 15091(a)(3)).

The findings reported in the following pages incorporate the facts and discussions of the environmental impacts that are found to be significant in the Final EIR for the project as fully set forth therein. Section 15091 of the CEQA Guidelines requires findings to address environmental impacts that an EIR identifies as "significant." For each of the significant impacts associated with the project, either before or after mitigation, the following sections are provided:

1. Description of Significant Effects – A specific description of the environmental effects identified in the EIR, including a judgment regarding the significance of

the impact;

2. Project Design Features – Reference to the identified Project Design Features that are a part of the project (numbering of the features corresponds to the numbering in the Draft EIR);

3. Mitigation Measures – Reference to the identified mitigation measures or actions that are required as part of the project (numbering of the mitigation measures correspond to the Mitigation Monitoring Program, which is included as Section V of the Final EIR);

4. Finding – One or more of the three specific findings in direct response to CEQA Section 21081 and CEQA Guidelines Section 15091;

5. Rationale for Finding – A summary of the reasons for the finding(s);

6. Reference – A notation on the specific section in the Draft EIR which includes the evidence and discussion of the identified impact.

IV. DESCRIPTION OF THE PROJECT

The project involves the construction of a mixed-use development consisting of: 1,444 residential condominiums; 950 commercial condominiums; a 208-key hotel; 67,702 square feet of retail/restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The project includes maintenance of the existing 861,162 square-foot, 12-story Reef building with 8,000 square feet of restaurant and outdoor space added to the rooftop. The development consists of a 35-story residential tower, a 32-story residential tower, a 19-story hotel tower, and multiple low- and mid-rise residential buildings ranging in height from 88 feet up to 420 feet. A total of 2,512 parking spaces and 1,906 bicycle parking spaces are provided.

V. ENVIRONMENTAL IMPACTS FOUND NOT TO BE SIGNIFICANT OR LESS THAN SIGNIFICANT BY THE INITIAL STUDY

The City Planning Department prepared an Initial Study dated July 16, 2014. The Initial Study is located in Appendix I-1 of the Draft EIR. The Initial Study found the following environmental impacts not to be significant or less than significant:

A. Agricultural and Forest Resources
   1. Farmland
   2. Existing Zoning for Agricultural Use or Williamson Act Contract
   3. Forest Land or Timberland Zoning
   4. Loss or Conversion of Forest Land
   5. Cumulative Impacts

B. Air Quality
   1. Objectionable Odors

C. Biological Resources
   1. Sensitive Biological Species
   2. Riparian Habitat and Wetlands
   3. Movement of any Resident or Migratory Species
   4. Habitat Conservation Plans

D. Geology and Soils
   1. Landslides
   2. Septic Tanks

E. Hazards and Hazardous Materials
   1. Airport Land Use Plans and Private Airstrips
   2. Wildland Fires

F. Hydrology and Water Quality
   1. 100-Year Flood Hazard Areas and100-year Flood
   2. Seiche, Tsunami or Mudflow

G. Land Use and Planning
   1. Habitat or Natural Community Conservation Plans

H. Mineral Resources
   1. Loss of Availability of Known Mineral Resources
   2. Loss of Mineral Resources Recovery Site
   3. Cumulative Impacts

I. Noise
   1. Airport Land Use Plans
   2. Private Airstrips

J. Population and Housing
   1. Displacement of Existing Housing
   2. Displacement of Existing Residents

K. Recreation
   1. Recreational Facilities

L. Transportation/Circulation
   1. Air Traffic Patterns

VI. ENVIRONMENTAL IMPACTS FOUND NOT TO BE SIGNIFICANT PRIOR TO MITIGATION

The following impact areas were determined to be less than significant, and based on that analysis and other evidence in the administrative record relating to the project, the City finds and determines that the following environmental impact categories will not result in any significant impacts and that no mitigation measures are needed:

A. Aesthetics

1. Visual Character/Quality

Operational Impacts (Except Vertical Zone 3 Signage): Under the project, the height of the Reef building would remain the same. Except for the project's two high rise towers, the remainder of the development consists of mid-rise buildings varying in height between 6 and 7 stories, consistent with or lower than the height and mass of other visually prominent buildings in the surrounding area like the 14-story commercial building to the north across Washington Boulevard and the 8-story courthouse across Hill Street to the west. In addition, the project replaces underutilized surface parking lots with a

high-intensity, pedestrian-oriented urban center that is consistent with the visual character of the existing urbanized area. The project's creation of an transit-oriented development is also consistent with the goals to concentrate development near transit station areas stated in the General Plan Framework, the Southeast Los Angeles Community Plan, the Draft/Proposed Southeast Los Angeles Community Plan, the Council District 9 Redevelopment Plan, the Downtown Housing Incentive area, the Central City Revitalization Zone, and the Los Angeles State Enterprise Zone. The overall effect of the project is to create an urban center by improving the current appearance of the project site, while also providing a pedestrian-oriented experience. Thus, the height and massing and architectural and urban design of the project are appropriate within the context of both existing and contemplated development patterns in the area. Therefore, there is a less-than-significant impact.

The project's Signage Supplemental Use District (SUD) allows large scale signage in designated locations within the project site. The effect of the signage permitted by the SUD is to reinforce and contribute to the visual character of the urban center created by the project. Potential impacts of this signage depend upon several factors, including the size, height, and location of signs, the level of lighting and animation permitted, along with the concentration of signage (i.e., the location of multiple signs within the same area), and the locations of sensitive receptors relative to the signs. Specifically, the Draft EIR identifies five Sign Zones and three Vertical Sign Zones and the permitted signs that are allowed in each zone. To assess potential visual impacts, the Draft EIR evaluates all signs from representative vantage points around the project site as well as the light impacts of the entire signage program. In addition, for a more accurate measure, the Draft EIR analyzes the different sign types based on their individual characteristics. To reduce potential impacts, the SUD limits or prohibits certain signage that might impact sensitive receptors. The project limits both the size and permitted animation of the north-facing signage on the North Tower in Vertical Zone 1 and 2, immediately across Washington Boulevard from the Rutland Apartments. West-facing, highly animated signage in Vertical Zone 1 and 2, immediately adjacent to sensitive receptors, is also prohibited.

The signage program also has a less-than-significant impact on nearby freeways. Specifically, views of project signage from southbound and northbound traffic on the I-110 are intermittent and distant and are therefore not prominent and only visible for a short duration. As such, project signage does not represent a safety hazard for traffic on the I-110 freeway. The views of the project site from the westbound Santa Monica I-10 Freeway are oblique and the signage complies with Section 21466.5 of the California Motor Vehicle Code (CMVC). The CMVC identifies thresholds when light sources can become distracting to divers. Therefore, because the project signage from the westbound freeway does not exceed the thresholds of the CMVC, the project does not pose a safety hazard to motorists. From the eastbound I-10 freeway, the high-rise buildings of the project first become visible at approximately Hoover Street, approximately 5,500 feet from the project site. At this distance, the project site can be seen among the landscaping adjacent to the freeway. A view of the project site continues to be available until the freeway passes the project site, for a distance of approximately 6,200 feet (approximately 1.2 miles). Throughout this distance, the view to the project site is always at an oblique angle to the driver's right. The signage viewed from the eastbound freeway traffic also complies with the governing requirements provided in the CMVC, and, therefore, the project does not impair motorists. The Draft EIR analysis of the impacts from the different views and from the signage program as a whole are incorporated into these Findings. In summary, while impacts associated with Vertical Zone 3 signage are significant and unavoidable, impacts associated with the remaining signage are less than significant.

Operational Impacts (Views and View Corridors): Views from the project site are extremely limited, in particular views of the Hollywood Hills. Therefore, views of the Hollywood Hills are not a valued scenic resource from this area. The project has the potential to obstruct private views from the four-story Da Capo residential building on the northwest corner of Main Street and Washington Boulevard, but views to the south are limited by existing development in the area and consist of an urban landscape containing no substantial visual resources. Therefore, there is a less-than-significant impact.

Cumulative Impacts: The geographic context for the analysis of cumulative aesthetic impacts includes areas with views of the project like portions of Downtown Los Angeles and the Southeast Los Angeles Community Plan Area. Development of the project in combination with the Related Projects results in an intensification of land uses in an already urbanized area of the City. However, anticipated growth would continue to be guided by the General Plan and other planning tools that anticipate the continued evolution of this area of the City, ensuring protection of the visual character of the area and a less-than-significant impact.

2. Light or Glare

Construction Impacts: Construction could include nighttime activities involving the use of on-site lighting during demolition, excavation, framing, and building construction. Pursuant to the requirements of the LAMC, construction hours would be limited to 7:00 AM to 9:00 PM Monday through Friday, and 8:00 AM to 6:00 PM on Saturday. These construction hours are consistent with routine development in an urban area, resulting in a less-than-significant impact.

Operation Glare Impacts: Glare, a condition which causes an observer to experience visual discomfort, can result from high brightness due to the project during operation. The glare impacts from the project are less than significant at all off-site sensitive receptor locations because of project compliance with LAMC Section 93.0117 and PDF-AES-3, which limits brightness to 2.0 foot-candles at sensitive receptors. In addition, the project building and signage are prohibited from using highly reflective building materials. As such, the project results in a less-than-significant glare impact.

Cumulative Impacts: The geographic context for the analysis of cumulative lighting impacts includes areas with views of the project, such as certain portions of Downtown Los Angeles and the Southeast Los Angeles Community Plan Area. The cumulative effect of increased building lighting raises ambient lighting levels, but to levels consistent with an urban area, resulting in a less-than-significant impact.

3. Shade or Shadow

Summer and Winter Shadows and Cumulative Impacts: The project casts far-reaching shadows to the west through the east during the Summer Solstice. However, no residential building or other sensitive use is shaded by the project for more than four hours, the threshold of significance, between the hours of 9:00 AM and 5:00 PM during the Summer Solstice. The project casts far-reaching shadows to the northwest and northeast during the Winter Solstice. However, no residential building or other sensitive use is shaded by the project for more than three hours, the threshold of significance, between the hours of 9:00 AM and 3:00 PM during the Winter Solstice. Therefore, impacts are less than significant.

Cumulative Impacts: The project site and surrounding area are situated in a mid- to high-density, mixed-use area adjacent to Downtown Los Angeles. Development of the project, in conjunction with the Related Projects, results in an increase of shading impacts in the project vicinity, but not to a level of significance. Therefore, impacts are less than significant.

4. Project Design Features

The City finds that the Project Design Features PDF-AES-1, PDF-AES-2, PDF-AES-3, PDF-AES-4, and PDF-AES-5, incorporated into the project, reduce the potential aesthetics impacts of the project. The Project Design Features were taken into account in the analysis of potential impacts.

B. Air Quality

1. Consistency with Applicable Air Quality Management Plan

The SCAQMD's 2012 Air Quality Management Plan ("AQMP") contains a comprehensive list of pollution control strategies directed at reducing emissions and achieving the National Ambient Air Quality Standards. The project complies with all SCAQMD rules and regulations that are in effect at the time of development. Therefore, impacts are less-than-significant.

2. Violation of Air Quality Standards or Substantial Contribution to Air Quality Violations

Mass Daily Construction Emissions (Except VOC): Based on conservative assumptions, except for VOC, the mass daily construction-related emissions generated during the project construction phase do not exceed the thresholds of significance recommended by the SCAQMD and, therefore, are less than significant.
Mass Daily Operational Emissions (Except VOC and NO_x): The nearest sensitive receptors to the project site are the residents of the Rutland Apartments building located across the East Block of the project site approximately 100 feet north on Washington Boulevard. The closest schools are the Santee Education Complex and Frida Kahlo Continuation High School, approximately one block east of the project site. With the exception of VOC and NO_x operational emissions, impacts to these sensitive receptors are less than significant.

Mass Daily Construction and Operational Emissions Cumulative Impacts (Except VOC for Construction and Operation and NO_x Operation): Although the mass daily construction-related and operational emissions generated by the project will exceed thresholds of significance recommended by the SCAQMD for VOC (construction and operation) and NO_x (operation), the remaining cumulative impacts will not exceed SCAQMD thresholds and, therefore, are less than significant.

Exposure of Sensitive Receptors to Substantial Pollutant Concentrations: Emissions generated by the project do not expose sensitive receptors in the vicinity of the project site to substantial pollutant concentrations. Therefore, impacts are less than significant.

Toxic Air Contaminants (TACs): The greatest potential for TACs emissions during construction comes from diesel particulate matter emissions associated with heavy-duty equipment during demolition, excavation and grading activities. However, the SCAQMD does not generally consider diesel particulate matter emissions from temporary construction activities to contribute substantially to an incremental increase in diesel-

related cancer risks because of the short-term and temporary nature of construction activities. Therefore, impacts are less than significant.

3. Consistency with General Plan Air Quality Element

The project is consistent with the General Plan Air Quality Element of the City's General Plan. Therefore, impacts are less than significant.

4. Project Design Features

The City finds that the Project Design Features PDF-AQ-1, PDF-AQ-2 and PDF-AQ-3, incorporated into the project, reduce the potential Air Quality impacts of the project regarding Consistency with Applicable Air Quality Management Plan, Exposure of Sensitive Receptors to Substantial Pollutant Concentrations, Toxic Air Contaminants, Consistency with General Plan Air Quality Element, and Violation of Air Quality Standards or Substantial Contribution to Air Quality Violations, Mass Daily Construction Emissions (Except VOC), Mass Daily Operational Emissions (Except VOC and NO_x), and Mass Daily Construction and Operational Emissions Cumulative Impacts (Except VOC for Construction and Operation and NO_x for Operation). The Project Design Features were taken into account in the analysis of potential impacts.

C. Biological Resources

1. Trees and Cumulative Impacts

Trees: The project includes the planting of 289 trees, which exceeds the 1:1 ratio for tree replacement identified in the City's tentative tract map guidelines, as well as replacement of all existing trees within the public right-of-way at greater than a 1:1 ratio. Therefore, impacts are less-than-significant.

Cumulative Impacts: It is not known at this time if future development of the Related Projects or other development projects in the City would involve the removal of protected tree species. However, the project will not affect protected tree species, and thus would not contribute to any potential cumulative effect. Therefore, cumulative impacts are less than significant.

D. Cultural Resources

1. Historical Resources

Historical Resources: There is one potential discretionary historic resource located on the project site: the Reef building, originally constructed by the Los Angeles Furniture Makers Association in 1958, and designed by local architect Earl T. Heitschmidt. The Reef building is not designated a landmark at the national, state, or local levels, nor has it been identified or evaluated as significant in any previous historic resource surveys. The building does not appear to be eligible for listing in the National or California Registers or the City designation due to a lack of historical significance and a lack of architectural distinction. Additionally, the Reef building has been altered and no longer retains historic integrity, and it does not appear to contribute to a potential historic district. Therefore, the buildings are not historic resources subject to CEQA. Although it is not known at this time if future development of the related project sites would involve historic resources, it is anticipated that if historic resources are potentially affected, the Related Projects would be subject to the requirements of CEQA and the City's historic resource protection ordinance. It is further anticipated that the effects of cumulative

development on historic resources would be mitigated to the extent feasible in accordance with CEQA and other applicable legal requirements. Therefore, cumulative impacts on historical resources are less than significant.

2. Archaeological Resources and Human Remains

According to the South Central Coastal Information Center, no archaeological sites have been identified within the project site. The records search provided in the Draft EIR concluded that there is one archaeological resource within a ½ mile radius of the project site. However, no archaeological determinations of eligibility ("ADOE") are identified on the project site or within a ½ mile radius of the site. Therefore, impacts are less-than-significant. It is not known at this time if future development of the related project sites would involve cultural resources. However, similar to the project, the Related Projects are subject to the requirements of CEQA and City archaeological resource protection ordinances. As such, the Related Projects would be evaluated on a case-by-case basis and any potential impacts to archaeological resources would be addressed at that time. Therefore, cumulative impacts on archaeological resources are less than significant.

E. Geology and Soils

1. Seismic Fault Rupture, Strong Seismic Ground Shaking, Liquefaction, Subsidence and Expansive Soils

Seismic Fault Rupture: The project site is not included in a State of California Alquist-Priolo Earthquake Fault Zone or a City of Los Angeles Fault Rupture Study Area. Based on the available geologic data, active or potentially active faults with the potential for surface fault rupture are not known to be located beneath or projecting toward the project site. Therefore, the potential for surface rupture at the project site due to fault plane displacement propagating to the ground surface is considered low and less than significant.

Strong Seismic Ground Shaking: The project site is located in a seismically active region, and future users on the project site will be exposed to seismic ground shaking. Although the project is within the Puente Hills Blind Thrust Fault Zone, and is nearby many other faults on a regional level, the potential seismic hazard to the project site will not be higher than in most areas of the City or elsewhere in the region. In addition, conformance with current Building Code requirements will minimize the potential for structures on the project site to sustain damage during an earthquake event. Therefore, impacts are less than significant.

Liquefaction: The project site is not located in a liquefaction zone. Therefore, potential impacts from liquefaction are deemed less than significant.

Subsidence: Groundwater and petroleum are not currently being extracted from the project site and would not be extracted as part of the project. Thus, subsidence as a result of such activities will not occur and impacts are less than significant.

Expansive Soils: According to the preliminary geotechnical evaluation prepared for the project, the project is not be affected by expansive soils. In addition, construction of the project is required to comply with the City UBC and the 2013 California Building Code, which include building foundation requirements appropriate to site-specific conditions, and the site-specific requirements identified in the Geotechnical Study that also address lateral spreading and settlement. Therefore, impacts are less than significant.

Cumulative Impacts: The geographic scope of the cumulative geology and soils analysis is the project vicinity. Geologic, soils and seismicity impacts tend to be localized; therefore, the area near the project site would be most affected by project activities (generally within a 500-foot radius) and, as there are no project impacts for geology and soils, the project does not contribute to cumulative impacts, and therefore, cumulative impacts are less than significant.

F. Hazards and Hazardous Materials

1. Construction and Operational Impacts of Hazardous Materials, Proximity to a School, and Emergency Response Plan

Construction (Except Radon): Construction of the project involves the use of those hazardous materials that are typically necessary for construction of mixed-use development (i.e., paints, building materials, cleaners, fuel for construction equipment, etc.). The project's transport, use and disposal of construction-related hazardous materials conforms to all applicable local, State, and federal regulations governing such activities. In addition, the Phase I site assessment did not identify on- or off-site land uses that represent a potential recognized environmental condition to the project site. The 200-gallon-capacity Above Ground Storage Tank (AST) utilized for storage of diesel fuel for the 400-kws emergency Caterpillar generator within the Reef building does not show any signs of spillage and is properly registered and maintained. Redevelopment or renovation of spaces within the Reef could disturb previously identified Asbestos Containing Materials (ACMs). However, surveys of affected on-site structures and facilities are required to verify the presence or absence of ACMs, and remediation or abatement are required before any disturbance. Similarly, since the existing structures and facilities on-site may contain Lead Based Paint (LBP), surveys of affected on-site structures and facilities are required to verify the presence or absence of LBP and, if they are, remediation or abatement are required. Finally, since the project site is within a City-designated methane zone, the project is required to comply with the General Methane Requirements pursuant to Section 91.7103 of the LAMC and existing City regulations if methane gas is detected at pressures and/or concentrations of concern. Therefore, impacts are less than significant.

Operation: The project does not utilize hazardous materials during day-to-day operations, other than small quantities of typical household, vehicle, and landscape maintenance materials such as cleaning supplies, paints, oil, grease, and fertilizers, all in accordance with manufacturers' instructions for use, storage, and disposal. In addition, the Phase I site assessment did not identify on- or off-site land uses that represent a potential recognized environmental condition to the project site. Therefore, impacts are less than significant.

Proximity to a School: Santee Education Complex and Frida Kahlo Continuation High School are approximately 0.10 mile east of the project site. The LATTC is approximately 0.15 mile west. There are no other schools within 0.25 miles. As the project complies with all standards, regulations, and good housekeeping practices, it does not emit any hazardous emissions during construction or operation that adversely affect schools located within one-quarter mile of the project site and, therefore, impacts are less than significant.

Emergency Response Plan: The project site is not located in the vicinity of a designated disaster route. The majority of construction activities are confined to the site, although the project may result in temporary closures of travel lanes during construction. Implementation of a Construction Staging and Traffic Management Plan described in

Section IV.N, Transportation, of the Draft EIR, and compliance with access standards reduce the potential for the impacts on emergency response during construction. In addition, drivers of emergency vehicles normally have a variety of options for avoiding traffic, such as using their sirens to clear a path of travel or driving in the lanes of opposing traffic. Therefore, construction and operation of the project does not significantly impair implementation of, or physically interfere with, any adopted or on-site emergency response or evacuation plans and impacts are less than significant.

Cumulative Impacts: The geographic scope of cumulative impacts related to hazardous materials is the area within one-quarter mile of the project site. The potential presence of hazardous substances would require evaluation on a case-by-case basis, in conjunction with the development proposals for each of the Related Projects. Compliance with all applicable local, state, and federal laws regarding hazardous materials would reduce cumulative impacts associated with the development of the Related Projects to less than significant.

G. Hydrology and Water Quality

1. Surface Water Quality, Groundwater, Surface Water Flood Hazards, Hydrology/Drainage

Surface Water Quality: Project construction involves potential sources of stormwater pollution, such as adhesives, cleaning agents, landscaping, plumbing, painting, heat/cooling, masonry materials, floor and wall coverings, and demolition debris. However, all hazardous materials are required to be stored, labeled and used in accordance with the OSHA regulations. In addition, Best Management Practices (BMPs) ensure that construction related water quality impacts will be lessened. Similarly, during operation, runoff may contain urban pollutants, such as auto fluids and oils, but the project is required to comply with County and City regulations, including the SUSMP and the City's LID ordinance, to retain and treat storm water and prevent additional flows into the City's stormwater system. The project also includes four storage tanks and drywell systems for stormwater runoff. Therefore, impacts are less than significant.

Groundwater: Direct additions or withdrawals of groundwater are not proposed by the project. Furthermore, the project decreases the amount of impervious surfaces with the inclusion of landscaped areas and provides facilities for groundwater recharge. Therefore, the project does not increase the amount of impervious surfaces and impacts are less than significant.

Flooding: The project site is in Flood Zone X, and therefore outside of the 50, 100 and 500-year flood zones. Accordingly, potential flood impacts hazard are less than significant.

Drainage: During project construction, a temporary alteration of the existing on-site drainage pattern may occur. Specifically, grading activities can increase erosion processes. However, these changes do not result in substantial erosion or siltation due to stringent controls imposed under the General Construction Activity Stormwater Permit, including implementation of a SWPPP, and the Los Angeles County MS4 Permit. Common measures for controlling fugitive dust emissions, such as covering truck loads and street sweeping, are also effective in controlling stormwater quality. Second, the construction area will be secured to control off-site migration of pollutants. Erosion control devices, including temporary diversion dikes/berms, drainage swales, and siltation basins, are typically required around construction areas to ensure that sediment is trapped and properly removed. During operation, the project does not modify the

manner in which the surrounding streets convey storm runoff to the City storm drain system. Furthermore, the project is required to comply with the SUSMP, MS4 permit and the City's LID, which reduce the volume of runoff from the site after the project is constructed. Therefore, impacts are less than significant.

Cumulative Impacts: The geographic scope of cumulative hydrology and water quality impacts is the Los Angeles River watershed and associated receiving waters. Future development of the Related Projects and other development within the watershed could affect the amount, the rate, the velocity, and the quality of runoff within their respective local drainage areas. However, similar to the project, each of the Related Projects is required to prepare and implement a SUSMP and undergo a review by the City to ensure compliance with the MS4 permit and the LID Ordinance. The Related Projects also have to determine what drainage improvements and BMPs are required to ensure that the storm drain capacity of the system is adequate and that no downstream flooding occurs as a result of exceedance of storm drain capacity, and that no significant water quality issues occur. With compliance with regulatory requirements, the project does not result in any significant hydrology and water quality impacts. Therefore, cumulative impacts are less than significant.

H. Land Use and Planning

1. Community Division and Land Use Compatibility, and Consistency with Land Use Plans and Policies

Community Division and Land Use Compatibility: The project does not physically divide an established community because it is being constructed on a site that has been developed for over 50 years. In addition, the project site is within a densely developed urban area with a mix of institutional, educational, commercial, light industrial and residential uses. No existing streets will be eliminated and no existing residents will be displaced. Thus, the development does not separate the community from those elements that establish the area as a community. The project's physical characteristics do not prevent or substantially impair existing adjacent land uses to continue their function since the project includes uses compatible with those of the surrounding area. Specifically, the project site and the surrounding area are in a portion of the City undergoing a significant transition and many new developments, including mixed-use projects, are either built, under construction or proposed within or adjacent to Downtown Los Angeles. The project's pedestrian, transit-oriented and mixed-use characteristics are compatible with the commercial, institutional, educational uses surrounding the site as well as the commercial, mixed-use and entertainment developments one mile north of the project site. Therefore, impacts are less than significant.

Consistency with Land Use Plans and Policies: The development of the project is subject to numerous state, regional and City land use plans and policies, such as the 2008 Regional Comprehensive Plan (RCP), the Southern California Compass Blueprint Growth Vision, the Regional Transportation Plan/Sustainable Communities Strategy, the City General Plan, the Southeast Los Angeles Community Plan, the Draft/Proposed Southeast Los Angeles Community Plan, the Plan For a Healthy Los Angeles, the Citywide Design Guidelines, the 2013-2021 Housing Element, and City Planning and Zoning Code requirements. The project is generally consistent with all land use plans and policies. Specifically, the project is consistent with SB 375, a state law targeting greenhouse gas emissions from vehicles, since it reduces vehicle miles traveled due to the fact that project residents, employees, and visitors may use public transit, such as the nearby Metro Blue Line, Metro Expo Line and various Metro bus lines. The project also conforms to the goals set forth in the 2008 RCP, including those goals related to

regional growth, mobility, and sustainability as shown in Table IV.J-1 (Project Consistency with Applicable Regional Comprehensive Plan Objectives) of the Draft EIR. Similarly, the project conforms to the Southern California Compass Blueprint Growth Vision goals related to the improvement of mobility for residents, the increase in livability in all communities, the increase in prosperity for all people, and the promotion of sustainability for future generations. The project achieves these goals due to its nature as an infill redevelopment project that creates an urban center with opportunities for people to live, work, and visit in this Downtown Los Angeles-adjacent area.

The project also conforms to the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) as shown in Table IV.J-2 (Consistency of the Project with the Applicable Goals of Regional Transportation Plan) of the Draft EIR. Similarly, the project is consistent with a Plan For A Healthy Los Angeles, as analyzed in Table IV.J-5 (Consistency of the Project with the Applicable Policies of the Plan For A Healthy Los Angeles). Specifically, the project is consistent with these plans by converting surface parking lots into a mixed-use project with significant open space and community amenities conducive to pedestrian use. In addition, the vertical integration of a mix of uses, and concentration of jobs and new development within walking distance of public transit options, reduce air pollution and greenhouse gas emissions.

In addition, the project is also consistent with General Plan, as shown in Table IV.J-3 (Project Consistency with the Applicable Objectives and Policies of the City of Los Angeles General Plan Framework Element) of the Draft EIR. Specifically, the project is consistent with 15 goals related to the provision of both commercial and residential uses close to significant public transit opportunities and the inclusion of open space, pedestrian amenities and bicycle facilities. The project is also consistent with several similar goals of the Southeast Los Angeles Community Plan, as shown in Table IV.J-4 (Comparison of Southeast Los Angeles Community Plan Objectives to Project Characteristics) of the Draft EIR.

As analyzed in Table IV.J-6 (Consistency of the Project with Applicable Objectives of the City of Los Angeles Citywide Design Guidelines), the project also implements Objectives 1 through 5 of the Citywide Guidelines. The project achieves these Objectives by being designed to provide direct paths of travel to multiple public transit facilities and through the incorporation of public bicycle spaces. In addition, the project employs high quality architecture with detail and articulation at all levels and provides mid-block paseos connecting the project uses internally as well as to the surrounding streets. Finally, the project creates 162,255 square feet of open space, of which 73 percent will be common public open space.

As analyzed in Table IV.J-7 (Consistency of the Project with Applicable Goals, Objectives and Policies of the City of Los Angeles Housing Element 2013-2021) of the Draft EIR, the project implements a number of the City of Los Angeles Housing Element Goals, Policies and Objectives. Namely, the project promotes housing production by providing a range of housing types in a new mixed-use development near public transit options. The project also promotes safe, livable and sustainable neighborhoods by converting surface parking lots into a new mixed use residential, commercial development.

Project uses would not be consistent with the existing General Plan land use designation and zoning of the project site and, thus, the applicant has requested a General Plan Amendment and corresponding Vesting Zone Change for the project site from [Q]M1-2-O and M1-2-O to C2-2-O. In accordance with Sections 12.14 of the City Planning and Zoning Code, with these requests, the proposed project uses are permitted in and

consistent with the C2 zone because this commercial zone allows for the construction of a variety of commercial uses, including retail stores, offices, restaurants, parking structures, as well as hotel and multi-family residential uses.

Therefore, impacts related to consistency with these land use plans are less than significant.

Cumulative Impacts: Development of the project, in conjunction with the Related Projects, results in an intensification of existing prevailing land uses in the project vicinity. However, these projects would be subject to specific findings and conditions. As such, development of the project and related projects is not anticipated to substantially conflict with the intent of the City's General Plan regarding the future development of the Southeast Los Angeles community, or with other land use regulations required to be consistent with the General Plan, such as the Planning and Zoning Code. Therefore, cumulative impacts are less than significant.

I. Noise

1. Traffic Noise and Vibration

Off-Site Construction: The major noise sources associated with off-site construction trucks would be associated with delivery/haul trucks during the project site excavation phase.). The noise level generated by construction trucks during the peak period (excavation phase) will be approximately 75 dBA Leq along the haul routes. The estimated noise from the haul trucks is consistent with the existing daytime ambient noise levels at two sensitive receptors along Hill Street and Main Street. During other construction phases, the number of construction trucks will be lower, which will result in lower noise levels. Therefore, the construction traffic noise impacts is less than significant.

Operational Noise: Operational noise consists of noise from building mechanical systems, parking facilities, loading and trash areas and outdoor spaces. However, all on-site mechanical equipment are required to comply with the regulations under Section 112.02 of the LAMC, which prohibits noise from air conditioning, refrigeration, heating, pumping, and filtering equipment from exceeding the ambient noise levels on the premises of other occupied properties by more than 5 dBA. Noise impacts from parking facilities are also less than significant since the subterranean parking levels at the East Block will be fully enclosed on all sides. The loading docks and trash areas for the project are located within the West Block and East Block parking structures. Therefore, noise associated with the loading/unloading and trash collection activities will be attenuated from off-site sources by the parking structures walls. Noise could also emanate from the project's outdoor spaces, such as the restaurant and outdoor space on the roof of the Reef Building, the hotel outdoor pool area and other open spaces. Compliance with existing regulations ensures that amplified program sound would not exceed the significance threshold. Furthermore, as indicated in Table IV.K-14 of the Draft EIR, the estimated noise levels from outdoor spaces use will be below the significance threshold at all off-site sensitive receptors. Finally, compliance with existing regulatory measures ensure that necessary noise insulation features are included in the final building design to achieve an interior noise environment that do not exceed 45 dBA Leq, in accordance with the City's Building Code.

Additional off-site noise comes from traffic generated once the project is operating. Table IV.K-15 of the Draft EIR summarizes the off-site roadway noise in the future produced by the project. This table shows that the project results in a maximum of a 0.7 dBA increase

in traffic noise along Main Street between Venice Boulevard and Washington Boulevard. The projected increases in noise level are considered negligible in the existing exterior noise environment. In addition, the change will be below the 3 dBA CNEL significance threshold which is considered to be an increase just perceptible to the human ear. When compared with existing conditions, as shown in Table IV.K-16 of the Draft EIR, the project results in a maximum of a 1.8 dBA (CNEL) increase in traffic noise along Main Street, between Venice Boulevard and Washington Boulevard. The estimated increase in off-site traffic noise levels as compared to existing conditions is well below the 3 dBA CNEL significance threshold. Therefore, the traffic noise impact is less than significant.

Construction and Operational Related Ground-borne Vibration: The project will generate ground-borne construction vibration during site demolition and excavation/grading activities when heavy construction equipment, such as large bulldozers, will be used. As indicated in Table IV.K-11 of the Draft EIR, vibration velocities from typical heavy construction equipment during construction are below the significance thresholds. The project does not include uses that are expected to generate measurable levels of ground-borne vibration during operation. Therefore, vibration impacts are less than significant.

Cumulative Impacts (Except 17th Street, west of Hill Street and Related Project No. 53): It is anticipated that construction-related noise levels from the Related Projects would be intermittent and temporary. In addition, the Related Project are required to comply with time restrictions and other relevant provisions in the LAMC. In addition, noise associated with cumulative construction activities would be reduced to the degree reasonably and technically feasible through proposed mitigation measures for each individual related project and compliance with locally adopted and enforced noise ordinances. Off-site construction haul trucks would have a potential to result in cumulative impacts if the haul trucks for the Related Projects and the project utilize the same haul routes. However, the estimated noise levels from project haul trucks are below the significance threshold. Potential vibration impacts due to construction activities are generally limited to buildings/structures that are located in close proximity of the construction site (i.e., within 15 feet as related to building damage and 80 feet as related to human annoyance). However, the nearest Related Project is located approximately 95 feet from the project. Therefore, there would be less than significant cumulative impacts except for at 17th Street, west of Hill Street, and at Related Project No. 53, discussed below under Significant and Unavoidable Impacts.

J. Population, Housing and Employment

Construction of the project results in increased construction jobs, which could potentially result in increased permanent population and demand for housing in the vicinity of the project site. However, construction workers are unlikely to relocate their households. Operation of the project is projected to generate approximately 3,808 employees, a net increase of approximately 1,161 employees on the project site. This increase is within the parameters of SCAG's forecast of 82,500 additional jobs in the City between 2008 and 2020. The project's construction of 1,444 additional residential dwelling units is expected to accommodate between 2,224 and 6,309 new permanent residents in the City. The addition of these new residents is within the SCAG growth projection. Therefore, impacts to population, housing and employment are less than significant.

Operation Impacts: The project has no impact on displacement of housing or residents because there are currently no residential units on the project site. In addition, as discussed in Response to Comment 10-8 in the Final EIR (FEIR), which is incorporated into these Findings by reference herein, there is no correlation between the project and

any physical impact on the environment which could result in nearby residents and businesses being displaced and experiencing health impacts. Accordingly, since CEQA does not require an analysis of potential economic and social effects which are not caused by a project's physical change to the environment, nor an analysis of speculative impacts, the project does not create any environmental impacts due to displacement.

Cumulative Impacts: The projected cumulative employment growth associated with the project and Related Projects is 1,639 employees, within the parameters of SCAG's forecast. The projected increase in employment therefore does not require the construction or extension of major infrastructure that could accelerate unexpected development, as this projected growth is within developed urban areas. The projected cumulative housing growth associated with the project and Related Projects is 4,288 units, within the parameters of SCAG's forecast. The projected increase in housing units does not require the construction or extension of major infrastructure that could accelerate unexpected development, as this projected growth is within developed urban areas. The projected cumulative population growth associated with the project and Related Projects is 14,453 persons, within the parameters of SCAG's forecast. The projected increase in population does not require the construction or extension of major infrastructure that could accelerate unexpected development, as this projected growth is within developed urban areas. Therefore, the projects contribution to cumulative population growth impacts would be less than significant.

K. Public Services and Recreation

1. Fire Protection, Schools, Parks and Recreation, and Libraries

Fire Protection: Construction on the project site increases the potential for accidental on-site fires from such sources as the operation of mechanical equipment and use of flammable construction materials. However, the implementation of "good housekeeping" procedures by the construction contractors and the work crews minimizes these hazards. The increase in employees and visitors to the project site generated by the project also potentially increases demand for fire protection services. DWP has indicated the existing static water pressure in the project area ranges from 55 to 74 pounds psi, in excess of the minimum residual water pressure of 20 pounds PSI. The final fire flow required for the project will be established by the LAFD during its review of the project plot plan, prior to the issuance of a building permit by the City. The plot plan for the project is required to identify the minimum fire flow requirements and the location of fire hydrants. Approval of this plot plan and compliance with existing regulations ensure the requisite fire flow for the project site. The project site is approximately 0.6 mile from Fire Station 10, which houses a task force; therefore, the project site is within the LAMC maximum response distance for both residential and commercial land uses. In addition, based on the project's circulation, it is anticipated that the LAFD can respond to on-site areas within the established response time. Furthermore, a sprinkler system and conformance with applicable Fire Code and LAFD building requirements ensure adequate on-site fire protection. Therefore, project impacts on fire protection services are less than significant.

Schools: Schools that serve the project site are San Pedro Elementary School, Adams Middle School, and Santee Education Complex. The total increase of students as a result of the project is approximately 1,893 students. These students can be accommodated within the existing LAUSD system. Therefore, project impacts on schools are less than significant.

Parks and Recreation: The project site is served by the Hoover Recreation Center. The project provides open space in accordance with LAMC Section 12.21(G)(2) and supplements the existing parks and recreation facilities with 3.7 acres of common open space features and recreational amenities that serve the residents' recreational needs. Therefore, the project's inclusion of on-site open space and recreational facilities reduces the use of parks by project residents. Future impacts on park facilities are mitigated through the collection of Quimby fees to the City to satisfy its obligations under the Quimby Act and/or provide payment of the Dwelling Unit Construction Tax. Therefore, impacts to parks and recreation services are less than significant.

Libraries: The project site is served by the Central Library located at 630 5th Street. The project is expected to generate a maximum of approximately 6,309 residents, which is expected to generate the need for between approximately 1,112 and 3,155 square feet of library facility space. At 538,000 square feet, the Central Library exceeds the recommended standards for the number of residents at the project. Therefore, library impacts associated with project are less than significant.

Cumulative Impacts: It is anticipated that the additional population and commercial land use can increase the demand for fire protection services in the service areas for LAFD Fire Stations 9, 10, and 15. However, each of the Related Projects is required to install automatic fire sprinkler systems if located at a distance to the nearest fire station that exceeds the LAFD required response distance. In addition, each of the Related Projects is subject to LAFD review of site plans, hydrant location and fire flow requirements. Finally, through the allocation of City resources in the City's annual programming and budgeting processes, the cumulative demand for fire protection growth in residential population and commercial development is addressed and, thus, the project, in conjunction with growth in demand for fire protection services Citywide, does not represent a substantial contribution to a significant cumulative effect. Therefore, with incorporation of the Project Design Feature and compliance with existing regulatory measures, the project's contribution to cumulative fire protection impacts is less than significant.

The project, in combination with the related and other future projects, would be expected to increase the cumulative demand for schools in LAUSD as shown in Table IV.M.3-3 (Cumulative Student Generation) of the Draft EIR. However, pursuant to SB50, future impacts on school facilities are mitigated through the collection of development impact fees to the LAUSD Developer Fee office. In addition, LAUSD opened three new schools within the past five years to provide approximately 2,500 additional seats to supplement the schools that serve the project site.

The increase in residential population by the Related Projects increases the demand for parks and recreation facilities and further impacts the shortage of park/recreational space in the Southeast Los Angeles Community Plan area. In accordance with State CEQA Guidelines Section 15130(a)(3), the project's contribution to the cumulative impact is less than cumulatively considerable through adherence to the City's parks fee programs for new development. Adherence to the requirements of this program constitute implementation or funding of the project's fair share of measures designed to alleviate the cumulative impact and, therefore, impacts are less than significant.

The project is expected to increase demand for library services in the project vicinity. Under the terms of Measure L, libraries have been required to pay for their own direct and indirect costs since July 2014. This dedicated funding source is intended to address cumulative demand for library services throughout the City. Therefore, cumulative impacts are less than significant.

It is anticipated that the additional population and commercial land use creates an increase the demand for police protection services in the Newton Station service area. Each of the Related Projects would be subject to LAPD review of site plans, and security measures. In addition, demands are met by LAPD through the allocation of available resources by LAPD management to meet varying needs throughout the LAPD's Bureaus and Community Police Stations, as well as through the allocation of City resources between LAPD and other City departments, accomplished through the City's annual programming and budgeting processes. Through this process, cumulative demand for police services within the Newton Station area would be managed, and the project, in conjunction with Related Projects, does not result in a substantial contribution to a significant cumulative impact. Impacts are therefore less than significant.

2. Project Design Feature

The City finds that Project Design Feature PDF-PS-1, which is incorporated into the project and is incorporated into these Findings as though fully set forth herein, would reduce the potential fire protection services impacts of the project. This Project Design Feature was taken into account in the analysis of potential impacts.

L. Transportation/Circulation

Construction: The number of construction workers and construction equipment vary throughout the construction process. Construction worker traffic occurs before the morning and afternoon peak commute hours. An average of 125 workers occur on-site with a peak of up to 500 workers. Because construction worker traffic occurs outside the peak hours, traffic from construction workers is not expected to create a significant impact on the street system. In addition, parking for construction workers is provided on-site, on the part of the project site that is not under construction (i.e., on the East Block during West Block construction, and vice versa). The traffic analysis showed that the level of traffic from truck hauling does not result in a significant traffic impact on the street system, as it would be well below the projected traffic from the project. In addition, haul traffic is temporary. The hourly volume of delivery trucks is less than the estimated level of truck activity during the excavation phase and does not create a significant traffic impact on the street system. Flagmen can also control traffic movement during the ingress and egress of trucks and heavy equipment. Any required lane closures are included in the Work Area Traffic Control Plan required for the project, which must be submitted and approved by LADOT prior to issuance of any construction permits. Therefore, transportation/circulation impacts associated with project construction are less than significant.

Operation: Traffic volume projections were developed to analyze the existing traffic conditions after completion of the project. Potential operational impacts were analyzed in the Draft EIR through the study of sixty-five intersections, in two traffic horizon years (Existing Year 2014 and Future Year 2035) using the City Department of Transportation (LADOT), guidelines and methodologies and the Highway Capacity Manual (HCM) Methodology for both signalized and unsignalized intersections. The intersection level of service analyses for the Existing With Project and the Future With Project conditions are summarized in Table 5.1, Table 5.2, Table 6.1 and in Table 6.2 of the Traffic Study. Figures illustrating these traffic forecasts are provided in the Appendix IV.N of the Draft EIR. With the exception of the intersections identified on page IV.N-24 of the Draft EIR and in the Significant and Unavoidable Impacts discussion below, the operational impacts at the remaining intersections are less than significant. Project trip volumes are less than the CMP threshold of 50 both in the AM and PM peak hours at all CMP arterial

monitoring locations closest to the project site. Similarly, the Traffic Study shows that the level of service would not change at any mainline freeway segment due to the project and that the project trips will not exceed the CMP threshold. All project driveways are designed in accordance with LADOT standards and approvals. Therefore, project driveways do not create any significant impacts. Therefore, impacts are less than significant.

Cumulative Impacts: With the exception of significant impacts discussed further below, the project's remaining cumulative operational traffic impacts are less than significant. There are approximately seven Related Projects (Nos. 6, 42, 53, 54, 57, 63 and 71) within a quarter mile of the project site with most a block or two from the site and one (No. 57) directly across Main Street. Due to the close distance of these Related Projects, there may be some overlap with construction activities such as temporary lane or sidewalk closures along Washington Boulevard or Main Street. However, these impacts are temporary and limited to the construction phase of each project, and each of the Related Projects is required to submit a construction work site traffic control plan to LADOT for review and approval prior to the start of any construction work. In addition, with adherence to LADOT's requirements and with compliance with existing regulations, the project's contribution to cumulative construction traffic impacts is less than significant.

1. Project Design Feature

The City finds that Project Design Feature, PDF-TR-1, which are incorporated into the project and incorporated into these Findings as though fully set forth herein, reduce the potential transportation/circulation impacts of the project. This Project Design Feature was taken into account in the analysis of potential impacts.

M. Utilities

1. Wastewater, Water, Solid Waste, Electricity, Natural Gas

Wastewater: The project is anticipated to generate an increase of approximately 329,258 gpd of wastewater (0.33 mgd), within the design capacity of existing infrastructure. In addition, the Hyperion Treatment Plant (HTP) has sufficient treatment capacity to accommodate the project's average daily total scenario wastewater generation. With the City's implementation of the provisions of the Sewer Allocation Ordinance, the project's wastewater generation is not projected to exceed the future scheduled capacity of the HTP. Also, based on current gauging, the 52-inch line beneath Jefferson Boulevard and the 12-inch line beneath Main Street, are operating at approximately 50 percent design capacity. Based on project wastewater flows, the sewer system can accommodate the projected flows. Further detailed gauging and evaluation, at the time of project connection to the system, is needed as part of the permit process to identify a specific sewer connection point, based on the flows in the multiple existing lines serving the project site at the time of connection. Therefore, project impacts on wastewater are less than significant.

Water: The average daily domestic net water demand of the project is estimated to be approximately 327,527 gpd (or 366.825 af/y), which is within the growth projections of the LADWP. Therefore, the LADWP can meet the project's water demand, as indicated in the Water Supply Assessment (WSA) dated May 20, 2015. In addition, the project complies with the City's mandatory water conservation measures that, relative to the City's increase in population, have reduced the rate of water demand in recent years. Should it be determined during the plot plan review that the existing fire-flow is not

sufficient to serve the project site, and that the project requires the installation of new water lines, meters, private fire hydrants, or other fire safety features, these features are required to conform to the City's Fire Code in consultation with the City Fire Department. Therefore, project impacts on water are less than significant.

Solid Waste: Construction debris consists primarily of debris from the removal of these existing surface parking lots located on the East and West Blocks and demolition of 11,150 square feet of existing warehouse/distribution building on the East Block. However, project-generated demolition and construction-related waste represents a small percentage of the inert waste disposal capacity in the region.

Operation of the project results in ongoing generation of solid waste. Over the long-term, the project is expected to generate approximately 8,032 net ppd of solid. The remaining combined intake of the Sunshine Canyon Landfill and the Chiquita Canyon Landfill is approximately 90.48 million tons. As such, they have adequate capacity to accommodate the daily operational waste generated by the project and, therefore, solid waste impacts are less than significant.

Electricity: The existing land uses on the project site consume approximately 26,519 kilowatt-hours (kWh) per day. Project consumption is approximately 121,698 kWh per day, a net increase of approximately 95,179 kWh per day over the existing uses. The LADWP has indicated that the project's demand for electricity can be served via existing infrastructure, and no improvements or additions to LADWP's off-site distribution system are needed. In addition, the project is designed in accordance with 2013 Title 24, California's Energy Efficiency Standards for Residential and Nonresidential Buildings. Therefore, project impacts on electricity are less than significant.

Natural Gas: The existing land uses on the project site consume approximately 82,189 cf of natural gas per day. The estimated net increase in demand is approximately 224,708 cf per day. Decreases in California natural gas demand and State Energy Conservation ensure there is not a significant effect on natural gas resources. Therefore, project impacts on natural gas are less than significant.

Cumulative Impacts: Implementation of the project in combination with the Related Projects increases the demand for wastewater conveyance infrastructure provided by LABS. Each of the Related Projects is required to obtain a final approval from for a sewer capacity connection permit. In addition, sewer line capacity is to be evaluated on a case-by-case basis and addressed through project-specific gauging and provision of additional infrastructure as required, in accordance with existing permitting processes. Wastewater generation from the project and Related Projects are addressed in the total increased wastewater flows throughout the HTP in the IRP and are sufficient to handle the projected flows through 2020. Therefore, cumulative impacts associated with wastewater are less than significant.

Implementation of the project in conjunction with Related Projects increases demand for water supplied by the LADWP, but the demand falls within the UWMP's projected water supplies. LADWP has confirmed that there are no known infrastructure deficiencies in the project vicinity, therefore, it is anticipated that the local water infrastructure can adequately accommodate the increased demand to serve the project and the Related Projects. Implementation of the project in conjunction with Related Projects increases solid waste demands, but the Related Projects is subject to the Citywide Construction and Demolition Waste Recycling Ordinance and there is adequate capacity in the County for the disposal of waste. To address the total long range solid waste disposal needs of the City, the City is developing the Solid Waste Integrated Resources Plan

(SWIRP), to develop and implement of a 20 year master plan for the City's solid waste and recycling programs. Implementation of the SWIRP therefore addresses the disposal of solid waste from the project and other development in the City. Implementation of the project in conjunction with Related Projects could create increased demand for electricity; however, the LADWP annually prepares a Power Integrated Resource Plan to ensure that current and future energy needs are met. Additionally, the project is designed to meet LEED certification requirements from USGBC and comply with State Building Energy Efficiency Standards outlined in Title 24 of the California Code of Regulations. Implementation of the project in conjunction with Related Projects could generate increased demand for natural gas; however, the Southern California Gas Company has the resources and infrastructure in place to plan for and meet the increased demand. Therefore, the project's cumulative impact on utilities is less than significant.

2. Project Design Features

The City finds that Project Design Features PDF-UT-1 PDF-UT-2, PDF-UT-3, PDF-UT-4, PDF-UT-5, PDF-UT-6, and PDF-UT-7, which are incorporated into the project and incorporated into these Findings as fully set forth herein, reduce the potential utilities impacts of the project related to Wastewater/Sewer, Water, Solid Waste, Electricity, Natural Gas and Cumulative Impacts. These project design features were taken into account in the analysis of potential impacts.

N. Land Use Equivalency Program and Design Guidelines

1. Land Use Equivalency Program

The full description of the Land Use Equivalency Program is contained in the Land Use Equivalency Program Technical Report in Appendix II-1 to the Draft EIR. The Land Use Equivalency Program is predicated on the requirement to avoid any additional impacts, with an emphasis in two areas – peak hour traffic and wastewater infrastructure. As discussed in the project's traffic study (Appendix IV-N to the Draft EIR), the most impactful time period with respect to project traffic is the Friday Evening Hour. However, as shown in the Traffic Study, the trip generation rates for the PM Peak Hour and the Friday Evening Hour are the same. Therefore, the PM Peak Hour/Friday Evening Hour trip rate is used in the Draft EIR analysis as the basis for potential land use exchanges. Accordingly, the Land Use Equivalency Program ensures that the project would not have any greater impacts than the project during either the PM Peak Hour or the Friday Evening Hour. LABS has identified Wastewater infrastructure that would serve the project and surrounding area as potentially constrained, particularly with respect to a 52-inch trunk line in Jefferson Boulevard that is currently operating at 50% capacity (see Section IV.O-1 of the Draft EIR). Accordingly, the Land Use Equivalency Program has been structured to ensure that no new wastewater generation beyond that associated with the project, and analyzed in the Draft EIR, would occur as a result of the land use exchanges that would be permitted under the Land Use Equivalency Program. These analyses in the Draft EIR show that no additional environmental impacts result from implementation of the Land Use Equivalency Program. The Land Use Equivalency Program includes a City discretionary review process if the property owner desires to use either the Land Use Equivalency Program or the Design Guidelines described below (collectively, the Equivalency Program). In the event the applicant or subsequent applicants should choose to utilize the Land Use Equivalency Program, the subsequent phase(s) of the project are subject to LAMC Section 106.5 (Site Plan Review) in addition to the provisions stated on page II-37 of the Draft EIR, which will be identified in a "Q" condition if the project is approved.

2. Design Guidelines

The Design Guidelines allow for flexibility in the project building design within a determined set of parameters. These parameters frame the analysis of the project in the Draft EIR and through the entitlement process. The project as developed conforms to the following design parameters:

- Building coverage of the combined site area between the heights of 22 feet and 100 feet shall be no more than 50 percent of the site area.
- Building coverage above a height of 100 feet shall be no more than 25 percent of the site area.
- The mid-block paseo, podium levels, parking structures, and the existing Reef building shall be included in the area not considered building coverage.
- Building separation above a height of 100 feet shall be a minimum of 70 feet.
- No building shall have a footprint above a height of 100 feet of greater than 30,000 square feet.
- The mid-block paseo shall be no smaller than 15,000 square feet and shall be generally oriented towards Broadway between Washington Boulevard and 21st Street.
- If the mid-block paseo is at grade, it may have auto circulation.
- There shall be, at a minimum, one pedestrian connection from Hill Street to Broadway, and one pedestrian connection from Broadway to Main Street.
- Within the mid-block paseo, at least 20 percent of the area shall be landscaped or included in a water feature, as distinct from the hardscape area.
- On each of the five frontages of the property, the following minimum proportions of the building faces, from sidewalk grade to 100 feet above, shall be transparent (i.e., openings or glass) rather than opaque: (i)Washington Boulevard – 50 percent; (ii) Broadway – 50 percent; (iii) Hill Street – 25 percent; (iv) Main Street – 25 percent; and (v) 21st Street – 25 percent.
- The existing Reef building shall not be included in the building façade calculations.
- No building above a height of 100 feet shall have any façade longer than 300 feet in length.
- Access points and site circulation shall be maintained in general conformance with the Conceptual Plan for the project.

In the event the applicant or subsequent applicants should choose to utilize the Design Guidelines, the subsequent phase(s) of the project are subject to LAMC Section 106.5 (Site Plan Review) in addition the provisions stated on page II-37 of the Draft EIR, which will be identified in a "Q" condition if the project is approved.

VII. ENVIRONMENTAL IMPACTS FOUND LESS THAN SIGNIFICANT PRIOR TO MITIGATION, WHERE MITIGATION NONETHELESS PROVIDED TO FURTHER REDUCE IMPACTS

The following impact areas were concluded by the Draft EIR to be less than significant prior to mitigation. However, mitigation measures described in the Final EIR nonetheless are provided to further reduce impacts. Based on that analysis and other evidence in the administrative record relating to the project, the City finds and determines that mitigation measures described in the Final EIR reduce impacts identified for the following environmental impact categories.

A. Greenhouse Gas Emissions

The SCAQMD's draft 2020 target for project-level analysis is 4.8 MT/year CO2e per service population. The project's efficiency metric is calculated to be 4.76MT/year CO2e per service population which does not exceed the SCAQMD draft efficiency target. Details regarding the assumptions and calculations of GHG emissions associated with the project are contained in the GHG Report in Appendix IV.G-1 to the Draft EIR. The geographic extent of GHG emissions is global, and the effect of these emissions on global climate change is potentially world-wide. The contribution of the project to the cumulative effect of global climate change would not be cumulatively considerable. The project does not conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gasses. Specifically, the project is consistent with the goals of AB 32 and will meet the energy efficiency requirements of the 2013 Title 24 CALGreen Code, and the City Green Building Code. Therefore, project impacts are less than significant. Nonetheless, to reduce the less than significant impacts related to greenhouse gas emissions, MM-TR-13 is incorporated into the project to encourage the use of transit and reduce vehicle trips and to ensure that impacts remain less than significant.

1. Project Design Features

The City finds that Project Design Features PDF-GHG-1, PDF-GHG-2, PDF-GHG-3, and PDF-GHG-4, which are incorporated into the project and incorporated into these Findings as fully set forth herein, reduce the potential greenhouse gas emissions impacts of the project. These Project Design Features were taken into account in the analysis of potential impacts.

2. Mitigation Measure

The City finds that Mitigation Measure MM-TR-13, which is incorporated into the project and incorporated into these Findings as fully set forth herein, lessens the less-than-significant impacts related to greenhouse gases. This mitigation measure was taken into account in the analysis of potential impacts.

B. Public Services – Police Protection

Construction: While there is the potential for the construction of the project to increase the demand for police protection services, the project provides security to the site during the construction process as part of the Work Area Traffic Control Plan, thereby reducing the demand for LAPD services. Traffic generated by construction workers and trucks is primarily during off-peak hours. Emergency access is to be maintained to the project site during construction through marked emergency access points approved by the LAPD. Therefore, police protection impacts during construction are less than significant.

Operation: The project is served by the Newton Community Police Station. The average response time to emergency calls for service for the Newton Community Station in 2013 was approximately six minutes. This response time is slightly above the citywide average of 5.9 minutes recorded during 2013, but below the seven-minute response time that is a set standard for LAPD. Using the existing officer to population ratio for the Newton Station, the project could warrant the addition of 5 to 14 new officers to maintain the existing officer to population ratio in the Newton Community Police Station service area. However, it is not anticipated that this level of additional staffing requires the enlargement or the construction of a police station. In addition, project features that deter crime could include, but are not limited to, adequate and strategically positioned functional lighting to enhance public safety, minimizing visually obstructed and infrequently accessed "dead zones," and limiting public access to properly patrolled

public areas. The building and layout design also include crime prevention features, such as nighttime security lighting, secured parking facilities, and provision of on-site security service, which comply with the design guidelines outlined in the LAPD Design Out Crime Guidelines and Mitigation Measure MM-PS-1. Response times should not be substantially affected given that the significant traffic impacts are at limited locations and given the availability of alternative routes within the street pattern in the area surrounding the project site. In addition, the police have a variety of options to avoid traffic, such as using sirens to clear a path of travel for driving in the lanes of opposing traffic. Furthermore, upon completion of the project, the Newton Area Commanding Officer has to provide a diagram of each portion of the property to show access routes and any additional information that may facilitate police response to the project site. Therefore, the project results in less than significant operational impacts on police protection services. Nevertheless, the following mitigation measures reduce the less-than-significant impacts.

1. Mitigation Measure

The City finds that Mitigation Measures MM-PS-1 and MM-PS-2, which are incorporated into the project and incorporated into these Findings as fully set forth herein, will lessen the less than significant impacts related to Public Services – Police Protection and that implementation of these mitigation measures ensure that impacts remain less than significant. These mitigation measures were taken into account in the analysis of potential impacts.

VIII. ENVIRONMENTAL IMPACTS FOUND TO BE LESS THAN SIGNIFICANT AFTER MITIGATION

The following impact area was concluded by the Draft EIR to be less than significant with the implementation of mitigation measures described in the Final EIR. Based on that analysis and other evidence in the administrative record relating to the project, the City finds and determines that mitigation measures described in the Final EIR reduce potentially significant impacts identified for the following environmental impact categories to below the level of significance.

A. Cultural Resources

Paleontological Resources (Construction Impacts): Construction of the project includes excavations for subterranean parking, foundations, and utilities installation, which have the potential to disturb any existing, but undiscovered, paleontological resources. If paleontological resources exist within the project site, they are likely to exist in native (i.e., undisturbed) sediments at depth, since previous development of the project site has likely displaced any resources on the surface. Therefore, the potential to encounter paleontological resources is low.

Cumulative Impacts: It is not known at this time if future development of the Related Project sites would involve paleontological resources. However, similar to the project, the Related Projects are subject to the requirements of CEQA, and City paleontological resource protection ordinances.

1. Mitigation Measures

The City finds that Mitigation Measures MM-CUL-1, MM-CUL-2, and MM-CUL-3, which are incorporated into the project and incorporated into these Findings as set forth herein,

reduce the impacts related to paleontological resources to less than significant. These mitigation measures were taken into account in the analysis of project impacts.

2. Finding

Paleontological Resources: With implementation of the Mitigation Measures MM-CUL-1, MM-CUL-2 and MM-CUL-3, impacts related to paleontological resources are less than significant. No further mitigation measure is required. With implementation of MM-CUL-1, MM-CUL-2 and MM-CUL-3, the project's contribution to cumulative impacts related to paleontological resources is less than significant.

3. Rationale for Finding

Paleontological Resources: There are no known paleontological sites within the project site. Furthermore, the project site is not in an area designated by the City General Plan Framework Element EIR or the Environmental and Public Facilities Maps of the Department of City Planning as a paleontological site or survey area. However, excavations are anticipated for the project for subterranean parking, foundations, and utilities installation – thereby creating the potential to disturb any existing, but undiscovered, paleontological resources. Nonetheless, changes or alterations and mitigation measures have been required in, or incorporated into, the project that avoid or substantially lessen potential significant environmental effects on paleontological resources. Mitigation Measure MM-CUL-1 calls for halting or diverting work if paleontological materials are encountered during the course of earth-moving activities to allow the resources and their significance to be assessed. MM-CUL-1 is to be memorialized with a covenant and agreement prior to obtaining a grading permit. Mitigation Measure MM-CUL-2 requires the project's construction superintendent to be instructed by a paleontologist or other qualified paleontological monitor regarding identification of conditions whereby potential paleontological resources could occur. In addition, Mitigation Measure MM-CUL-3 requires all significant fossil specimens be prepared, identified, curated and catalogued in accordance with designated museum repository requirements. Therefore, the project's paleontological impacts are less than significant with the implementation of mitigation measures MM-CUL-1, MM-CUL-2, and MM-CUL-3.

Cumulative Impacts: The geographic scope of the cumulative cultural resources analysis with respect to paleontological resources is the project vicinity. Paleontological resource impacts tend to be localized; therefore, the area near the project site could be most affected by project activities (generally within a 500-foot radius). Nevertheless, all of the Related Project sites were considered in the EIR analysis. It is not known at this time if future development of the Related Project sites would involve paleontological resources. However, similar to the project, the Related Projects are subject to the requirements of CEQA, and City paleontological resource protection ordinances. As such, the Related Projects are evaluated on a case-by-case basis and any potential impacts to paleontological resources are addressed at that time. It is further anticipated that the effects of cumulative development on paleontological resources would be mitigated to the extent feasible in accordance with CEQA and other applicable local cultural resource protection ordinances. If subsurface paleontological resources are protected upon discovery as required by law, impacts to those resources are expected to be cumulatively less than significant and, thus, when evaluated in conjunction with the project, are not cumulatively considerable.

4. Reference

For a complete discussion of impacts associated with Cultural Resources, please see Section IV.E.3 of the Draft EIR.

B. Hazards and Hazardous Materials

Impacts of Hazardous Materials - Radon Only: Construction of the project involves the use of hazardous materials (i.e., paints, building materials, cleaners, fuel for construction equipment, etc.). Operation of the project does not include hazardous materials, other than small quantities of typical household, vehicle, and landscape maintenance materials such as cleaning supplies, paints, oil, grease, and fertilizers, all in accordance with manufacturers' instructions for use, storage, and disposal. The project site is within a zone designated by the California Geological Survey as having a Moderate potential to experience radon levels over 4.0 pCi/L, resulting in a potentially significant impact.

1. Mitigation Measures

The City finds that Mitigation Measure MM-HAZ-1, which is incorporated into the project and incorporated into these Findings as fully set forth herein, reduces the potentially significant impact related to radon to less than significant and is, therefore, required. This mitigation measure was taken into account in the analysis of potential impacts.

2. Findings

Changes or alterations and mitigation measures have been required in, or incorporated into, the project that avoid or substantially lessen potential significant environmental effects on hazards associated with radon exposure to less than significant levels with the implementation of mitigation measure MM-HAZ-1. No further mitigation is required.

4. Rationale for Findings

The project site is located within a zone designated by the California Geological Survey (CGS) as having a Moderate potential to experience radon levels over 4.0 pCi/L. According to the CGS, location within a Moderate radon potential zone indicates a less than 10% likelihood of encountering radon levels over 4.0 pCi/L. Nonetheless, the potential to encounter such radon levels at the project site is potentially significant. Measurement of radon gas levels prior to construction, and inclusion of modifications in the design of the project, if warranted, reduce the impact of radon levels over 4.0 pCi/L to less than significant, if levels over 4.0 pCi/L are encountered. Potential mitigation measures for radon levels over 4.0 pCi/L include installation of soil suction systems that prevent radon gas present in the surrounding soil from entering buildings, sealing of underground paths into project buildings, and installation of gas-impermeable barriers in project buildings. With implementation of MM-HAZ-1, requiring a mitigation program to be designed by a certified radon mitigator if radon levels over 4.0 pCi/L are encountered within, or immediately adjacent to, the project site, impacts related to radon hazards are less than significant.

5. Reference

For a complete discussion of impacts associated with Hazards and Hazardous Materials, please see Section IV.H of the Draft EIR.

C. Noise

Construction of the West Block, including demolition, grading and construction, is expected to require approximately 30 months, while construction of the East Block, including demolition, excavation and construction, would require approximately 32 months. These construction activities will result in potentially significant noise.

1. Mitigation Measures

The City finds that Mitigation Measures MM-NOI-1, MM-NOI-2, MM-NOI-3 and MM-NOI-4, which are incorporated into the project and incorporated into these Findings as fully set forth herein, reduce the potentially significant impacts related to construction noise to less than significant levels. In addition, MM-NOI-2 was amended to require the use of solar powered generators to offset the noise generated by reducing energy consumption. These mitigation measures were taken into account in the analysis of potential impacts.

2. Findings

The City finds that changes or alterations and mitigation measures have been required in, or incorporated into, the project that avoid or substantially lessen potential significant construction noise impacts to less than significant levels with the implementation Mitigation Measures MM-NOI-1, MM-NOI-2, MM-NOI-3, and MM-NOI-4. No further mitigation is required.

3. Rationale for Findings

Each stage of project construction involves the use of various types of construction equipment that have their own distinct noise characteristics. The Federal Highway Administration has compiled data regarding the noise generating characteristics of specific types of construction equipment and typical construction activities. These data are presented in Table IV.K-8 of the Draft EIR for the types of equipment that are expected to be used at the project site. To more accurately characterize construction-period noise levels, the average (Hourly Leq) noise level associated with each construction stage is calculated based on the quantity, type, and usage factors for each type of equipment that would be used during each construction stage. Table IV.K-9 and Table IV.K-10 of the Draft EIR provide the estimated construction noise levels for various construction stages at the off-site noise sensitive receptors for the construction of the West Block and East Block, respectively. As indicated in Table IV.K-9, the estimated construction related noise impacts from the West Block construction is less than significant at all off-site sensitive receptors. Even though the estimated construction noise levels at receptor R1 exceeds the existing ambient noise levels by more than 5 dBA, receptor R1 is not considered noise sensitive receptor. The estimated noise levels from the East Block construction, as indicated in IV.K-10, result in less-than-significant impacts at all off-site noise sensitive receptors, with the exception of receptor R2 – the residential building at the northwest corner of Washington Boulevard and Main Street. At receptor R2, the construction activities during demolition exceed the significance threshold by 1 dBA. Implementation of Mitigation Measure MM-NOI-1 reduce the construction-related noise levels Receptor R2 by a minimum of 5 dBA, making the noise impact less than significant. In addition, compliance with regulatory measures, the noise regulations under Section 41.40 of the LAMC and implementation of Mitigation Measures MM-NOI-2 through MM-NOI-4 reduce construction noise impacts to the maximum extent feasible, in accordance with the City of Los Angeles Noise Ordinance.

Therefore, the project's short-term construction-related noise impacts are less significant with implementation of these mitigation measures.

4. Reference

For a complete discussion of impacts associated with Noise, please see Section IV.K of the Draft EIR.

IX. ENVIRONMENTAL IMPACTS FOUND TO BE SIGNIFICANT AND UNAVOIDABLE

The project results in the following impacts, which are found to be significant and unavoidable.

A. Aesthetics

Construction: Although temporary in nature, construction activities associated with the project are likely give the project site a visually unappealing quality for the duration of these activities.

Operation (Vertical Zone 3 Signage Only): Potential impacts of the project SUD signage depend on several factors, including the size, height, and location, the level of lighting and animation permitted, along with the concentration of signage (i.e., the location of multiple signs within the same area), and the locations of sensitive receptors relative to signs. High levels of animation are permitted in the Vertical Zone 3 signage on the Reef building and proposed hotel building, including Controlled Refresh I (changes every 8 seconds), and Limited Animation I (changes every two minutes). The Vertical Zone 3 signage on the Reef building is visible at some distance from the site, and be prominent because the signage can extend up to 194 feet and because of the high levels of animation permitted on this signage. The Vertical Zone 3 signage on the proposed hotel building extends up to 240 feet, and be prominent because of the permitted animation. Therefore, Vertical Zone 3 signage impacts are significant during the daytime and evening operating hours.

Light and Glare: Even though the animation of the signage within Vertical Zones 1 and 2 would be less than permitted in Vertical Zone 3, impacts of permitted east-facing signage within Vertical Zones 1 and 2 on the Reef building are significant because of the prominence of the signage concentrated at this location. Accordingly, the substantial increase in lighting from this concentration of signage substantially and adversely affects the surrounding area.

Shade/Shadow: The project shadows during the Spring and Fall Equinox cover all or part of the Rutland Apartments, a shadow sensitive residential use, for more than three hours between the hours of 8:00 AM and 4:00 PM, resulting in a significant and unavoidable impact.

1. Project Design Features

The City finds that Project Design Features PDF-AES-1, PDF-AES-2, PDF-AES-3, PDF-AES-4 and PDF-AES-5, which are incorporated into the project and incorporated into these Findings as fully set forth herein, further reduce light and glare impacts and reflect good planning and design practices currently promoted by the City. These Project Design Features were taken into account in the analysis of potential impacts.

2. Mitigation Measure

Light and Glare: The City finds that Mitigation Measure MM-AES-2, which is incorporated into the project and incorporated into these Findings as fully set forth herein, further reduces the light and glare impacts and reflects good planning and design practices currently promoted by the City and, therefore, is required. This mitigation measure was taken into account in the analysis of project impacts. However, this mitigation measure does not reduce the significant impact to a less-than-significant impact.

Shade/Shadow: There are no feasible mitigation measures the project could implement to avoid significant shadow impacts to the Rutland Apartments during the spring and fall equinox, which is caused by the angle of the sun in combination with the rotation and orbit of the earth around the sun.

3. Findings

Changes and alterations and mitigation measures, where available, have been required for or incorporated into the project to reduce unavoidable aesthetic impacts to the greatest extent possible. There are no additional measures which the City can impose to reduce aesthetic impacts to less-than-significant levels.

Construction: Even with compliance with existing regulatory measures, the temporary impacts related to construction of the project are significant and unavoidable.

Operation (Vertical Zone 3 Signage): Even with implementation of Project Design Features PDF-AES-1, 2, 3, 4, and 5, and Mitigation Measure MM-AES-2, impacts to visual character of the project site are significant and unavoidable with respect to Vertical Zone 3 animated signage during the daytime operating hours of the signage.

Light and Glare: Due to the concentration of signage on the Reef building in Vertical Zones 1, 2, and 3, including the number and size of signs permitted in these locations, impacts related to the concentration of signage on the Reef building, specifically Vertical Zone 3 signage, are significant and unavoidable.

Shade/Shadow: Shadow impacts of the project on the Rutland Apartments during the spring and fall equinox would be significant and unavoidable.

4. Rationale for Findings

Construction: Although temporary in nature, construction activities give the project site a visually unappealing quality for the duration of 60 months. Temporary fencing could partially shield views of construction activities and equipment. However, construction activities typically include both a disturbance in existing natural and man-made features and the development of structures, which, at least temporarily, are devoid of external treatments designed to improve visual character. Temporary construction-related towers and cranes could also interfere with existing view lines. Therefore, construction activities result in temporary changes as viewed from nearby viewsheds. Even with compliance with regulatory measures, the temporary impacts related to construction of the project are significant and unavoidable.

Operation (Vertical Zone 3 Signage Only): Project signage permitted under the Reef project SUD includes four large sign areas – the Reef (23,050 square feet in Vertical Zone 3, and 9,700 square feet in Vertical Zone 2); North Tower (14,858 square feet in Vertical Zone 2); and South Tower (15,480 square feet in Vertical Zone 2). Signage is visible in the surrounding area, including the Superior Court building, LATTC, Hill Street, Washington Boulevard, and other streets to the west. High levels of animation are

permitted in the Vertical Zone 3 signage on the Reef building and proposed hotel building, including Controlled Refresh I (changes every 8 seconds), and Limited Animation I (changes every two minutes). The Vertical Zone 3 signage on the Reef building is visible at some distance, and is prominent because of high levels of animation and the elevation to which this signage can extend (up to 194 feet). The Vertical Zone 3 signage on the hotel building could extend to a greater height (up to 240 feet), and therefore be prominent because of the permitted animation. In addition, this signage does not contribute to the aesthetic image of an urban center. Therefore, impacts of permitted north-, east-, south-, and west-facing Vertical Zone 3 signage are significant. No feasible mitigation measures, other than reduction or limitation of animation of signage related to Sign Zone 3, are available to completely address the impact. Implementation of Mitigation Measure MM-AES-2, which limits the operating hours of Sign Level 3 signage to address the lighting impact associated with this signage, reduces the visual impact of this signage during nighttime hours to less than significant. However, the impact remains during the daytime and evening hours when the signage is in operation. Reduction of signage and limitation of animation as a means of mitigating this impact are discussed in Section VI, Alternatives, of the Draft EIR. However, the City finds these alternatives to be infeasible as more fully explained in the Sections X and XII of these Findings. Therefore, impacts to visual character of the project site are significant and unavoidable with respect to Vertical Zone 3 animated signage during the daytime and evening operating hours of the signage.

Shade/Shadow: Shadow figures for buildout of the project are shown in Figure IV.B-16 (Project Summer Solstice Shadows); Figure IV.B-17 (Project Winter Solstice Shadows); and Figure IV.B-18. While Summer and Winter shadows are less than significant, Equinox shadows are significant. As shown in Figure IV.B-18 of the Draft EIR, the project casts far-reaching shadows to the west through the east during the Spring and Fall Equinox. These shadows shade commercial uses directly north of the project site, a corner of the four-story mixed-use Da Capo building, which includes the Rutland Apartments, to the north, and portions of South Hill Street and West Washington Boulevard. At 4:00 PM spring and fall shadows from the project are cast in a northeasterly direction. These shadows shade commercial uses directly north of the project site, the Rutland Apartments, a portion of South Hill Street, portions of West Washington Boulevard, and extend to the Santa Monica Freeway. These shadow impacts exceed the LA CEQA Thresholds Guide shade/shadow thresholds and, therefore, impacts are significant and unavoidable.

5. Reference

For a complete discussion of impacts associated with Aesthetics, please see Section IV.B of the Draft EIR.

B. Air Quality

1. Violation of Air Quality Standards or Substantial Contribution to Air Quality Violations

Mass Daily Construction Emissions (VOC Only): Based on conservative assumptions, the mass daily construction-related emissions generated during the project construction phase exceeds the thresholds of significance recommended by the SCAQMD for VOC only.

Mass Daily Operational Emissions (VOC and NO_x Only): The nearest sensitive receptors to the project site are the residents of the Rutland Apartments building located across

Washington Boulevard from the East Block, approximately 100 feet north of the project site. The closest schools to the project site are the Santee Education Complex and Frida Kahlo Continuation High School located approximately one block east. VOC and NO_x operational emissions are significant and unavoidable at these sites.

Mass Daily Construction and Operational Emissions Cumulative Impacts – VOC (Construction and Operation) and NO_x (Operation Only): The mass daily construction-related and operational emissions generated by the project exceed thresholds of significance recommended by the SCAQMD for VOC (construction and operations) and NO_x (operations). In accordance with SCAQMD guidance, these emissions are cumulatively considerable.

2. Freeway Adjacent Health Risk

The project is located in close proximity to the 10 Freeway and therefore a Health Risk Assessment was prepared to evaluate potential cancer risks associated with the project. The assessment found the cancer risk for the residential scenarios of the project ranges from 17.7 to 29.2 per one million, which exceeds the SCAQMD stationary source threshold of 10 in one million.

3. Project Design Features

The City finds that Project Design Features PDF-AQ-1, PDF-AQ-2, PDF-AQ-3, PDF-AQ-4, PDF-AQ-5 and PDF-AQ-6, which are incorporated into the project and incorporated into these Findings as fully set forth herein, reduce the potential air quality impacts of the project. These Project Design Features were taken into account in the analysis of potential impacts.

4. Mitigation Measures

Mass Daily Construction Emissions – VOC Only; Mass Daily Operational Emissions – VOC and NO_x Only; and Mass Daily Construction and Operational Emissions Cumulative Impacts – VOC (Construction and Operation) and NO_x (Operation) Only: Since the project results in potentially significant air quality impacts related to VOC and NO_x, and Mass Daily Construction and Operational Emissions Cumulative Impacts for VOC (Construction and Operation) and NO_x (Operation) only, the City finds that Mitigation Measure MM-TR-13, which is incorporated into the project and incorporated into these Findings as fully set forth herein, further reduces the air quality impacts and reflects good planning and design practices currently promoted by the City and, therefore, is required. This mitigation measure was taken into account in the analysis of project impacts.

Freeway Adjacent Health Risk: Since the project results in potentially significant air quality impacts related to Freeway Adjacent Health Risk, the City finds that Mitigation Measures MM-AQ-1, MM-AQ-2, MM-AQ-3, MM-AQ-4 and MM-AQ-5, which are incorporated into the project and incorporated into these Findings as fully set forth herein, further reduce the air quality impacts and reflect good planning and design practices currently promoted by the City and, therefore, are required. These mitigation measures were taken into account in the analysis of project impacts.

5. Findings

The City finds that changes and alterations and mitigation measures were made to the project to reduce the significant air quality impacts of the project. No additional measures are available to reduce these impacts to less-than-significant levels. Specifically:

Mass Daily Construction Emissions (VOC Only): Mass daily construction emissions for VOC generated during project construction are significant and unavoidable.

Mass Daily Operational Emissions (VOC and NO_x Only): Mass daily operational emissions for VOC and NO_x are significant and unavoidable.

Mass Daily Construction and Operational Emissions Cumulative Impacts - VOC (Construction and Operation) and NO_x (Operation) Only: Cumulative impacts with respect to VOC during construction and operation and NO_x during operation only are significant and unavoidable.

Freeway Adjacent Health Risk: Freeway adjacent health risks are conservatively assessed to be significant and unavoidable, although these risks are associated with the existing environment, and are not a direct or indirect environmental effect of the project.

5. Rationale for Findings

Mass Daily Construction Emissions (VOC Only): The analysis of mass daily construction emissions was prepared utilizing CalEEMod recommended by the SCAQMD with the assumption that the project comply with the fugitive dust control requirements of SCAQMD Rule 403. The mass daily construction-related emissions are shown in Table IV.C-7 of the Draft EIR. As shown in Table IV.C-7, mass daily construction emissions for VOC generated during project construction exceed the thresholds of significance recommended by the SCAQMD. The SCAQMD threshold of significance for VOC is 75 pounds per day, and the estimated mass daily construction emissions of the project is 129 pounds per day. Therefore, construction emissions with respect to VOC only would be significant and unavoidable.

Mass Daily Operational Emissions (VOC and NO_x Only): According to the analysis shown in Table IV.C.-8 (Estimated Mass Daily Operational Emissions) of the Draft EIR, the SCAQMD threshold of significance for VOC is 55 pounds per day, and the estimated project net increase in mass daily operational emissions is 76 pounds per day. Similarly, the SCAQMD threshold of significance for NO_x is 55 pounds per day, and the estimated project net increase in mass daily operational emissions is 60 pounds per day. Therefore, VOC and NO_x operational emissions are significant and unavoidable.

Mass Daily Construction and Operational Emissions Cumulative Impacts – VOC (Construction and Operation) and NO_x (Operation) Only: Mass daily construction emissions for VOC generated during project construction exceed the thresholds of significance recommended by the SCAQMD. Therefore, the mass daily construction-related and operational emissions generated by the project exceed thresholds of significance recommended by the SCAQMD for VOC (construction and operations) and NO_x (operations).

Freeway Adjacent Health Risk: As shown in Table 6 in Appendix IV.C-2 to the Draft EIR, the summation of carcinogenic risk from all primary Mobile Source Air Toxics (MSATs – diesel particulate matter (DPM), formaldehyde, 1,3 butadiene, benzene, acrolein, acetaldehyde, and naphthalene) for the worst-case ground level location at the project site totaled a carcinogenic risk of 17.7 per one million for the 9-year residential scenario, 24.8 per one million for the 30-year residential scenario, 29.2 per one million

for the 70-year residential scenario, and 1.6 per one million for the 25-year worker scenario. The cancer risk of 1.6 per one million for the 25-year worker scenario is below the SCAQMD stationary source threshold of 10 in one million. However, the cancer risk for the residential scenarios ranges from 17.7 to 29.2 per one million, which exceeds the SCAQMD stationary source threshold of 10 in one million. Therefore, the EIR conservatively concludes that the cancer risk from freeway sources on project residents is significant because of the exceedance of the SCAQMD stationary source cancer risk threshold.

6. Reference

For a complete discussion of impacts associated with Air Quality, please see Section IV.C of the Draft EIR.

C. Noise

Cumulative Construction Impacts and Operation Impacts – 17th Street west of Hill Street: Development of the project in conjunction with the other Related Projects results in an increase in construction-related and traffic-related noise as well as on-site stationary noise sources in the already urbanized area of the City. If it was constructed concurrently with the project, construction of Related Project No. 53, a residential development located at 220 E. Washington Boulevard, approximately 600 feet east of the project site, could cause cumulative construction noise impacts. Additionally, the cumulative operational traffic noise impact on 17th Street west of Hill Street, where there are residential land uses, is significant and unavoidable.

1. Mitigation Measures

The City finds that all feasible mitigation measures to reduce cumulative construction noise and cumulative traffic noise impacts have been imposed and that there are no further feasible mitigation measures the project could implement to avoid significant cumulative traffic noise impacts at 17th Street west of Hill Street or the potential significant cumulative construction noise impacts if construction for Related Project 53 were to overlap with the construction schedule for the project.

2. Findings

Cumulative Construction Noise Impacts: The cumulative construction causes significant and unavoidable impacts if Related Project 53 is constructed concurrently with the project.

Cumulative Operation Noise Impacts: The cumulative operational traffic noise impact on the residential uses on 17th Street west of Hill Street is significant and avoidable.

3. Rationale for Findings

Cumulative Construction: The following Related Projects are within 1,000 feet of the project site and could cause cumulative construction noise impacts: (i) Related Project No. 6, the LA Trade Technical College – 5-Year Master Plan is located at 400 W. Washington Boulevard, approximately 350 feet west; (ii) Related Project No. 42, a Mixed-Use Building development located at 233 W. Washington Boulevard, approximately 400 northwest; and (iii) Related Project No. 53, the Washington Boulevard Opportunity MU (Mercy Housing), a residential development located at 220 E. Washington Boulevard, approximately 600 feet east. The existing residential building at

the northwest corner of Washington Boulevard and Main Street (represented by Receptor R2) has direct line-of-sight to both the project and the Related Project No. 53. Therefore, if construction of Related Project No. 53 were to occur concurrently with the project, cumulative noise impacts at Receptor R2 could occur.

The mitigation measures as specified for the Related Project No. 53 and the project would reduce the construction noise at the residential building at the northwest corner of Washington Boulevard and Main Street. Nonetheless, even with mitigation measures, if nearby Related Project No. 53 were to be constructed concurrently with the project, it is conservatively concluded that significant and unavoidable cumulative construction noise impacts could result.

Cumulative Operation: The noise levels associated with existing traffic volumes and future year 2035 traffic volumes with the project are provided in Table IV.K-17 of the Draft EIR. The traffic generated by the project and cumulative development increase the existing traffic noise levels by 3.3 dBA Leq along 17th Street (west of Hill Street), and by 3.1 dBA at the other two locations. With respect to the 3.1 dBA increase on the Pico Boulevard (east of Main Street), and Grand Avenue (between Venice Boulevard and Washington Boulevard) segments, this increase does not constitute a significant impact because these segments contain commercial land uses. Per the L.A. CEQA Thresholds Guide, the 3 dBA threshold applies when the projected noise is within the "normally unacceptable" or "clearly unacceptable" category. The land uses along the 17th Street (west of Hill Street) segment includes residential uses. The projected noise environment on this segment would be within the "normally unacceptable" category for residential land use and the 3dBA threshold would apply. Accordingly, cumulative noise impacts on this roadway segment are significant and unavoidable.

4. Reference

For a complete discussion of impacts associated with Noise, please see Section IV.K of the Draft EIR.

D. Transportation/Circulation

Operation: Even with Mitigation Measures MM-TR-1 through MM-TR-14, there is one remaining significant impact in the AM peak hour (with this impacted intersection operating at LOS D), eight remaining significant impacts in the PM peak hour (with one of the impacted intersections operating at LOS D, six operating at LOS E, and one operating at LOS F), seven remaining significant impacts in the Friday Evening peak hour (with two of the impacted intersections operating at LOS D or better, one operating at LOS E, and four operating at LOS F), and one remaining significant impact in the Saturday Midday peak hour (the impacted intersections operating at LOS C). Mitigation Measure MM-TR-14 reduces the significant impact at the project's Main Street driveway to less than significant. However, this mitigation measure requires modifications to the Sports Museum driveways, which are located on private property outside the control of the project applicant, and would therefore require the concurrence of the Sports Museum property owner. In the event the Sports Museum property owner does not agree to the modifications, Mitigation Measure MM-TR-14 are infeasible and impacts at this location are significant and unavoidable.

1. Project Design Features

The City finds that Project Design Feature PDF-TR-2, which is incorporated into the project and incorporated into the Findings as fully set forth herein, reduce the potential

operational traffic impacts of the project. This Project Design Feature was taken into account in the analysis of potential impacts.

2. Mitigation Measures

The City finds that Mitigation Measures MM-TR1, MM-TR-2, MM-TR-3, MM-TR-4, MM-TR-5, MM-TR-6, MM-TR-7, MM-TR-8, MM-TR-9, MM-TR-10, MM-TR-11, MM-TR-12, MM-TR-13 and MM-TR-14, which are incorporated into the project and incorporated into these Findings as fully set forth herein, are included to further reduce the operational traffic impacts and reflect good planning and design practices currently promoted by the City. These mitigation measures were taken into account in the analysis of project impacts.

3. Findings

Changes and alterations and mitigation measures, where available, have been required for or incorporated into the project to reduce unavoidable operational traffic impacts to the greatest extent possible. There are no additional measures which the City can impose to reduce the unavoidable operational traffic impacts to less-than-significant levels. Specifically:

Operation – Intersections: Even with implementation of the mitigation measures, there is one remaining significant impact in the AM peak hour, eight remaining significant impacts in the PM peak hour, seven remaining significant impacts in the Friday Evening peak hour, and one remaining significant impact in the Saturday Midday peak hour.

Operation – Driveway: With implementation of Mitigation Measure MM-TR-14, impacts from the project's Main Street driveway are less than significant. However, since this Mitigation Measure requires the approval of modifications to private property not within the control of the City, the City finds that without the cooperation of the Sports Museum Property Owner, this Mitigation Measure is infeasible and impacts at this location are significant and unavoidable.

4. Rationale for Findings

Operation: Tables 7.2 through 7.5 in the Traffic Study (Appendix N to the Draft EIR) show the change in V/C at the significantly impacted intersections after implementation of the mitigation measures, and compare these changes to LADOT significance criteria to determine whether the impacts at the intersections are significant after mitigation. Intersections identified in these tables as "Partially Mitigated" would not have their impacts reduced below the threshold of significance, and these impacts are significant and unavoidable. There are no additional feasible mitigation measures which can be imposed to reduce the operational traffic impacts to these intersections to a less-than-significant level.

Driveway: The project Main Street driveway adversely impacts the Sports Museum driveways, which are located across Main Street from the project site. Implementation of Mitigation Measure MM-TR-14 reduces the impact at this location to less than significant. In the event the Sports Museum property owner does not agree to the modifications associated with Mitigation Measure MM-TR-14 on the Sports Museum property, Mitigation Measure MM-TR-14 is considered infeasible and impacts at this location are significant and unavoidable.

5. Reference

For a complete discussion of impacts associated with Transportation/Circulation, please see Section IV.N of the Draft EIR.

X. ALTERNATIVES TO THE PROJECT

In addition to the project, the Draft EIR evaluated a reasonable range of five alternatives to the project. These alternatives are: (1) No Project Alternative; (2) Alternative Use (Office Campus); (3) Reduced Height/Reduced Signage; (4) Reduced Density; and (5) Existing Zoning (Industrial). In accordance with CEQA requirements, the alternatives to the project include a "No Project" alternative and alternatives capable of eliminating the significant adverse impacts of the project. These alternatives and their impacts, which are summarized below, are more fully described in section VI of the Draft EIR.

A. Summary of Findings

Based upon the following analysis, the City finds, pursuant to CEQA Guidelines section 15096(g)(2), that none of the alternatives or feasible mitigation measures within its powers would substantially lessen or avoid any significant effect the project would have on the environment.

B. Project Objectives

An important consideration in the analysis of alternatives to the project is the degree to which such alternatives would achieve the objectives of the project. As more thoroughly described in the Draft EIR Section II, Project Description, both the City and applicant have established specific objectives concerning the project, which are incorporated by reference herein and discussed further below.

C. Project Alternatives Analyzed

1. Alternative 1 – No Project Alternative

Under the No Project Alternative, the project would not be constructed, and the project site would remain in its current condition with the existing 861,162 square foot, 12-story plus basement Reef building, surface parking lots with approximately 1,100 parking spaces, and an approximately 11,150 square foot warehouse building. The analysis of the No Project Alternative assumes the continuation of existing conditions, as well as development of the Related Projects described in Draft EIR Section III. Environmental Setting.

Impact Summary: The project results in significant and unavoidable impacts related to visual quality, light and glare, shade/shadow, air quality, traffic noise, and transportation, which would be avoided under the No Project Alternative. The No Project Alternative would avoid most of the project's less-than-significant impacts as well. The No Project Alternative does not have potentially beneficial impacts resulting from the project with respect to water quality, and would not implement any regional or local planning policies.

Findings: The No Project Alternative reduces adverse environmental impacts compared to the project. Therefore, the No Project Alternative is environmentally superior to the project. However, the No Project Alternative does not satisfy any of the Project Objectives, discussed below. It is found, pursuant to Public Resources Code section 21081, subsection (a)(3), that specific economic, legal, social, technological, or other considerations, including considerations identified in Section XII of these Findings

(Statement of Overriding Considerations), make infeasible the No Project Alternative described in the Draft EIR.

Rationale for Findings: The No Project Alternative maintains the project site in its current condition with the existing 861,162 square foot, 12-story plus basement Reef building, surface parking lots with approximately 1,100 parking spaces, and an approximately 11,150 square foot warehouse building. However, there would be no renovation, construction, use and maintenance of a mixed-use project. As a result, the No Project Alternative does not create 1,444 housing units, nor generate approximately 3,808 employees. In addition, the No Project Alternative does not create community serving amenities such as: (i) 67,702 square feet of retail/restaurant uses; (ii) a 29,355 square-foot grocery store; (iii) a 17,507 square-foot gallery; (iv) a 7,879 square foot fitness/yoga studio. There also would not be approximately 1,906 bicycle parking spaces providing connectivity to the nearby bus and light rail lines. Therefore, the No Project Alternative would not meet any of the Project Objectives.

Reference: For a complete discussion of impacts associated with Alternative 1, please see Section VI of the Draft EIR.

2. Alternative 2 – Alternate Use (Office Campus)

Under the Alternate Use Alternative, the project site is developed with a mix of office and retail commercial uses at the same density as the project. The Reef building would remain in its current location and would be modified, similar to the project, to reconfigure up to 180,000 square feet of the space currently used for wholesale/showroom operations into creative office space to support design, collaboration and development of new products. In addition, up to 30,000 square feet of existing floor area on the ground floor may be converted to 20,000 square feet of retail space and 10,000 square feet of restaurant space. The addition of the 8,000 square foot rooftop restaurant in the Reef building would not be included under this alternative. Under the Alternate Use Alternative, 1,625,538 square feet of new office uses would be provided within five new buildings, including two six-story buildings, a 12-story building, and two high-rise buildings, 19 and 31 stories, respectively. Up to 54,364 square feet of new retail uses would be provided on the ground floors of the office buildings, located throughout the campus. Coupled with the square footage within the Reef building, the Alternate Land Use Alternative includes 2,017,932 square feet of office, 369,063 square feet of wholesale/showroom use, 69,705 square feet of event space, and 84,364 square feet of retail and restaurant uses. The development density of this alternative would be 6.0:1. Parking would be in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block, similar to the project. The Alternate Use Alternative includes the same Reef Project SUD signage program as would be provided under the project, with the same signs as identified in the Reef project SUD to be located on corresponding buildings under this Alternative (e.g., the two high rise office towers would be analogous to the North Tower and South Tower under the project, and the 12-story office building would be analogous to the project hotel building).

Impact Summary: The Alternate Use Alternative has higher significant and unavoidable impacts than the project with respect to air quality, freeway health risk, cumulative traffic noise and transportation. The Alternate Use Alternative has similar significant and unavoidable impacts as the project with respect to visual quality, light and glare, and shade/shadow. The Alternate Use Alternative has higher less-than-significant impacts than the project with respect to utilities (solid waste, electricity), and lower less-than-significant impacts than the project with respect to biological resources (trees), public services (recreation and parks, libraries), and utilities (wastewater, water, natural gas).

Findings: The Alternate Use Alternative has higher significant and unavoidable impacts than the project with respect to air quality, freeway health risk, cumulative traffic noise and transportation. The Alternate Use Alternative has similar significant and unavoidable impacts as the project with respect to visual quality, light and glare, and shade/shadow. Also, the Alternate Use Alternative has higher less-than-significant impacts than the project with respect to utilities (solid waste, electricity), and lower less-than-significant impacts than the project with respect to biological resources (trees), public services (recreation and parks, libraries), and utilities (wastewater, water, natural gas). The Alternative Use Alternative implements some of the Project Objectives, but not to the same degree as the project. It is found, pursuant to Public Resources Code section 21081, subsection (a)(3), that specific economic, legal, social, technological, or other considerations, including considerations identified in Section XII of these Findings (Statement of Overriding Considerations), make infeasible the Alternate Use Alternative described in the Draft EIR.

Rationale for Findings: The Alternate Use Alternative would mean the absence of the development of, among other elements of the project, (i) 549 residential apartment units, including 21 live/work units, in eleven low- and mid-rise buildings; (ii) 895 residential condominium units in two high-rise buildings; and (iii) a 208-key hotel. In its place would be the development of a mix of office and retail commercial uses, at the same density as the project. In addition, daily trips associated with this alternative, upon which the calculations of greenhouse gas emissions are based, would be 17,649, compared with 12,737 under the project, an increase of approximately 39%. Project-related GHG emissions per service population would be only slightly below the SCAQMD significance threshold. Since traffic-related emissions are a large proportion of total GHG emissions, and traffic would increase approximately 39% under the Alternate Use Alternative, GHG emissions associated with the Alternate Use Alternative exceed the significance threshold. Accordingly, impacts of this Alternative with respect to GHG emissions are higher than the project, and are therefore significant and unavoidable. Also, under the Alternative Use Alternative, new project-related vehicle trips are generated that exceed the traffic generation associated with the project, as shown in Draft EIR Table VI-4 (Trip Generation by Land Use – Alternate Use Alternative). Accordingly, impacts of this alternative would be higher than the project's significant and unavoidable impacts related to traffic.

The Alternate Use Alternative implements the following Project Objectives to a lesser degree than the project: (i) To provide the amenities necessary for the Magic Box to attract top-notch events to the City of Los Angeles (i.e., Hotel not included); (ii) To create an urban center that is compatible with and complementary to currently ongoing growth in the resident population of Downtown Los Angeles (i.e., reduced mix of uses); (iii) To generate additional annual tax revenues to the City of Los Angeles, including property taxes, sales taxes, transient occupancy taxes, and gross receipts taxes; and, (iv) To provide an integrated mixed-use project that is economically viable and serves the needs of the community and the region.

The Alternate Use Alternative does not implement the following Project Objectives because this alternative does not include housing nor create a dynamic 24-hour activity center and not have a hotel nor the restaurants, entertainment, or resident- and community-serving retail components of the project: (i) To provide for the development of an underutilized site near public transportation through the replacement of surface parking lots with new housing, retail uses, restaurants, and a hotel to meet anticipated market demands; and, (ii) To construct a complementary, integrated set of land uses

and signage that promotes the creation of a vibrant and dynamic 24-hour activity center that provides the opportunity for people to live, work, and entertain.

Reference: For a complete discussion of impacts associated with Alternative 2, please see Section VI of the Draft EIR.

3. Alternative 3 – Reduced Height/Reduced Signage

Under the Reduced Height/Reduced Signage Alternative, the same uses as the project are included (residential, hotel, retail, grocery), at a slightly lower density than the project. The Reduced Height/Reduced Signage Alternative limits building heights to 12 stories/143 feet, which is generally equivalent to the prevailing heights of the tallest buildings located in the vicinity, specifically the commercial building located immediately across Washington Boulevard to the north, and the Superior Court building located immediately across Hill Street to the west. Under the Reduced Height/Reduced Signage Alternative, the Reef building remains and is modified, similar to the project, to reconfigure up to 180,000 square feet of the space currently used for wholesale/showroom operations into creative office space. In addition, up to 30,000 square feet of existing floor area on the ground floor may be converted to 20,000 square feet of retail space and 10,000 square feet of restaurant space. The addition of the 8,000 square-foot rooftop restaurant in the Reef building is included under this alternative. Under the Reduced Height/Reduced Signage Alternative, the same number of residential units (1,444) is provided as under the project. However, because of the different configurations of the residential buildings that occur under this alternative, the mix of apartments and condominiums is different. Under the Reduced Height/Reduced Signage Alternative, a total of 1,010 apartments and live /work units, and 434 condominiums are provided. Up to 101,941 square feet of new retail uses, including a 34,705 square-foot grocery store, and a 127-room hotel are included in this alternative. Coupled with the square footage within the Reef building, the development density of this alternative is approximately 5.15:1. The development under this alternative is accommodated in nine new buildings up to 12 stories in height. Parking is provided in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block.

Under the Reduced Height/Reduced Signage Alternative, signage follows the same framework as the project. However, because of the reduced height of buildings included in this alternative, signage within Vertical Sign Zone 3 is substantially reduced in visibility. Under the Reduced Height/Reduced Signage Alternative, signage on the Reef building is reduced in size by 50% compared to the project, and highly animated signage is not be permitted in Vertical Sign Zone 3 on the Reef building.

Impact Summary: The Reduced Height/Reduced Signage Alternative avoids the significant and unavoidable impacts of the project with respect to visual quality, light and glare, and cumulative traffic noise. The Reduced Height/Reduced Signage Alternative has the same significant and unavoidable temporary construction visual quality impacts as the project. The Reduced Height/Reduced Signage Alternative has lower, but still significant and unavoidable impacts compared to the project with respect to shade/shadow, air quality, freeway health risk, and transportation. The Reduced Height/Reduced Signage Alternative has lower less-than-significant impacts than the project with respect to public services and utilities.

Findings: The Reduced Height/Reduced Signage Alternative avoids the significant and unavoidable impacts of the project with respect to visual quality, light and glare, and cumulative traffic noise. The Reduced Height/Reduced Signage Alternative has the

same significant and unavoidable temporary construction visual quality impacts as the project. The Reduced Height/Reduced Signage Alternative has lower, but still significant and unavoidable impacts compared to the project with respect to shade/shadow, air quality, freeway health risk, and transportation. The Reduced Height/Reduced Signage Alternative has lower less-than-significant impacts than the project with respect to public services and utilities. The Reduced Height/Reduced Signage Alternative implements some of the Project Objectives, but not to the same degree as the project. It is found, pursuant to Public Resources Code section 21081, subsection (a)(3), that specific economic, legal, social, technological, or other considerations, including considerations identified in Section XII of these Findings (Statement of Overriding Considerations), make infeasible the Reduced Height/Reduced Signage Alternative described in the Draft EIR.

Rationale for Findings: The Reduced Height/Reduced Signage Alternative reduces building heights to 12 stories/143 feet. Under the Reduced Height/Reduced Signage Alternative, a total of 1,010 apartments and live /work units, and 434 condominiums are provided. Up to 101,941 square feet of new retail uses, including a 34,705 square-foot grocery store, and a 127-room hotel, rather than a 208-room hotel, are included in Reduced Height/Reduced Signage Alternative. Coupled with the square footage within the Reef building, the development density of this alternative is approximately 5.15:1. The development under this Alternative is accommodated in nine new buildings up to 12 stories in height. Parking is provided in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block. Under the Reduced Height/Reduced Signage Alternative, signage on the Reef building is reduced in size by 50% compared to the project, and highly animated signage is not be permitted in Vertical Sign Zone 3 on the Reef building.

As shown in Draft EIR Table VI-11 (Reduced Height/Reduced Signage Alternative Net Employee Generation), the Reduced Height/Reduced Signage Alternative generates approximately 3,689 employees, which results in a net increase of approximately 1,042 employees on the project site from existing conditions. The project results in a net increase of approximately 1,161 employees; therefore, this alternative results in a lower level of employment generation than the project. The Reduced Height/Reduced Signage Alternative implements the following Project Objectives to a lesser degree than the project because this alternative does not include a dynamic 208-room hotel: (i) To provide the amenities necessary for the Magic Box to attract top-notch events to the City of Los Angeles (i.e., smaller Hotel); and, (ii) To generate additional annual tax revenues to the City of Los Angeles, including property taxes, sales taxes, transient occupancy taxes, and gross receipts taxes (i.e., smaller project).

Reference: For a complete discussion of impacts associated with Alternative 3, please see Section VI of the Draft EIR.

4. Alternative 4 – Reduced Density

Under the Reduced Density Alternative, the same uses are included as in the project (residential, hotel, retail, grocery), at a lower density than the project. Under this Alternative, the Reef building remains and is modified, similar to the project, to reconfigure up to 180,000 square feet of the space currently used for wholesale/showroom operations into creative office space. In addition, up to 30,000 square feet of existing floor area on the ground floor may be converted to 20,000 square feet of retail space and 10,000 square feet of restaurant space. The addition of the 8,000 square-foot rooftop restaurant in the Reef building is included under this alternative. Under the Reduced Density Alternative, the uses are reduced by approximately 25%

compared to the project. For instance, restaurant uses are reduced from 45,657 square feet under the project to 17,959 square feet under this alternative and retail uses are reduced from 60,045 square feet under the project to 45,701 under this alternative. This alternative does not have the 17,507 square-foot Gallery or fitness/gym/yoga studio. A total of 1,069 residential units, 93 hotel rooms, and 80,406 square feet of retail uses, including a 34,705 square-foot grocery store, are included under this alternative. Because of the different configurations of the residential buildings that occur under this alternative, the mix of apartments and condominiums is different. Under the Reduced Density Alternative, a total of 535 apartments and live /work units, and 534 condominiums (rather than 895 under the project) are provided. Coupled with the square footage within the Reef building, the development density of this alternative is approximately 4.37:1. The development under this alternative is accommodated in eight new buildings up to 10 stories/121 feet in height, and a single residential tower up to 420 feet in height. Parking is provided in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block.

Under the Reduced Density Alternative, signage follow the same framework as the project. However, because of the reduced height of buildings included in this alternative, signage within Vertical Sign Zone 3 is substantially reduced in visibility, except for the high-rise residential tower, which includes the same signage as permitted for the South Tower under the project.

Impact Summary: The Reduced Density Alternative avoids the significant and unavoidable impacts of the project with respect to shade/shadow, and cumulative traffic noise. The Reduced Density Alternative has lower, but still significant and unavoidable impacts compared to the project with respect to air quality, freeway health risk, and transportation. The Reduced Density Alternative has similar significant and unavoidable impacts as the project with respect to visual quality, and light and glare. The Reduced Density Alternative would have lower less-than-significant impacts than the project with respect to public services and utilities, and construction impacts.

Findings: The Reduced Density Alternative avoids the significant and unavoidable impacts of the project with respect to shade/shadow, and cumulative traffic noise. The Reduced Density Alternative has lower, but still significant and unavoidable impacts compared to the project with respect to air quality, freeway health risk, and transportation. The Reduced Density Alternative has similar significant and unavoidable impacts as the project with respect to visual quality, and light and glare. The Reduced Density Alternative has lower less-than-significant impacts than the project with respect to public services and utilities, and construction impacts.

In addition, the Reduced Density Alternative implements some of the Project Objectives, but not to the same degree as the project. It is found pursuant to Public Resources Code section 21081, subsection (a)(3), that specific economic, legal, social, technological, or other considerations, including considerations identified in Section XII of these Findings (Statement of Overriding Considerations), make infeasible the Reduced Density Alternative described in the Draft EIR.

Rationale for Findings: The Reduced Density Alternative provides the same uses as the project (residential, hotel, retail, grocery), at a lower density than the project. The Reef building remains in its current location and is modified, similar to the project. Also under the Reduced Density Alternative, the uses are reduced by approximately 25% compared to the project. For instance, restaurant uses are reduced from 45,657 square feet under the project to 17,959 square feet under this alternative and retail uses are reduced from 60,045 square feet under the project to 45,701 under this alternative. Similarly, there is

no 17,507 square-foot Gallery nor a fitness/gym/yoga studio. A total of 1,069 residential units, 93 hotel rooms (rather than 208 rooms under the project), and 80,406 square feet of retail uses, including a 34,705 square-foot grocery store, are included under this alternative. Under the Reduced Density Alternative, a total of 535 apartments and live /work units, and 534 condominiums are provided. Coupled with the square footage within the Reef building, the development density of this alternative is approximately 4.37:1. The development under this Alternative is accommodated in eight new buildings up to 10 stories/121 feet in height, and a single residential tower up to 420 feet in height. Parking is provided in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block. Also, project signage follows the same conceptual framework as the project. However, because of the reduced height of buildings included in this alternative, signage within Vertical Sign Zone 3 is substantially reduced in visibility, except for the high-rise residential tower, which includes the same signage as permitted for the South Tower under the project.

This alternative implements the following Project Objectives to a lesser degree than the project because there is a smaller hotel, fewer housing units, fewer community- and resident-serving entertainment uses, and less commercial square footage, which generates less annual tax revenue for the City as compared to the project: (i) To provide the amenities necessary for the Magic Box to attract top-notch events to the City of Los Angeles (i.e., smaller Hotel); (ii) To create an urban center that is compatible with and complementary to currently ongoing growth in the resident population of Downtown Los Angeles; (iii) To provide for the development of an underutilized site near public transportation through the replacement of surface parking lots with new housing, retail uses, restaurants, and a hotel to meet anticipated market demands; (iv) To provide an integrated mixed-use project that is economically viable and serves the needs of the community and the region; (v) To support regional mobility goals and local and regional growth policies by encouraging development in and around activity centers, reducing vehicle trips and public infrastructure costs; and, (vi) To generate additional annual tax revenues to the City of Los Angeles, including property taxes, sales taxes, transient occupancy taxes, and gross receipts taxes (i.e., smaller project).

Reference: For a complete discussion of impacts associated with Alternative 4, please see Section VI of the Draft EIR.

5. Alternative 5 – Existing Zoning (Industrial)

Under the Existing Zoning Alternative, the project site is developed with an industrial building at the density permitted by the existing M1-2 zoning. Under this alternative, the Reef building remains in its current location, and is modified similar to the Project. In addition, up to 30,000 square feet of existing floor area on the ground floor may be converted to 20,000 square feet of retail space and 10,000 square feet of restaurant space. Under the Existing Zoning Alternative, 1,679,357 square feet of industrial development is provided in a single building located on the East Block. Parking for all uses contained within this Alternative is provided in a single above-ground parking structure located on the West Block. This alternative does not provide, as compared to the project: (i) a 29,355 square-foot grocery store; (ii) a 17,507 square-foot gallery; (iii) a 7,849 fitness/gym/yoga studio; (iv) a 208-room hotel; (v) 895 condominiums; (vi) 528 apartments; and (vii) 21 live/work units.

Impact Summary: The Existing Zoning Alternative avoids the significant and unavoidable impacts of the project with respect to visual quality, light and glare, freeway health risk, cumulative traffic noise, and the project driveway. The Existing Zoning Alternative has the same temporary significant and unavoidable impact as the project with respect to

visual quality during construction. The Existing Zoning Alternative has lower significant and unavoidable impacts compared to the project with respect to shade/shadow, air quality and transportation. The Existing Zoning Alternative has lower less-than-significant impacts than the project with respect to public services and utilities (water, wastewater, natural gas), and construction impacts, and higher less-than-significant impacts with respect to utilities (solid waste, electricity).

Findings: The Existing Zoning Alternative avoids the significant and unavoidable impacts of the project with respect to visual quality, light and glare, freeway health risk, cumulative traffic noise, and the project driveway. The Existing Zoning Alternative has the same temporary significant and unavoidable impact as the project with respect to visual quality during construction. The Existing Zoning Alternative has lower significant and unavoidable impacts compared to the project with respect to shade/shadow, air quality and transportation. The Existing Zoning Alternative has lower less-than-significant impacts than the project with respect to public services and utilities (water, wastewater, natural gas), and construction impacts, and higher less-than-significant impacts with respect to utilities (solid waste, electricity).

In addition, the Existing Zoning Alternative does not implement some of the Project Objectives to the same degree as the project. It is found, pursuant to Public Resources Code section 21081, subsection (a)(3), that specific economic, legal, social, technological, or other considerations, including considerations identified in Section XII of these Findings (Statement of Overriding Considerations), make infeasible the Existing Zoning Alternative described in the Draft EIR.

Rationale for Findings: The Existing Zoning Alternative develop the project site with 1,679,357 square feet of industrial development in a single building located on the East Block. The industrial building is developed at the density permitted by the existing M1-2 zoning. The Reef building remains in its current location, and is modified similar to the project. In addition, up to 30,000 square feet of existing floor area on the ground floor may be converted to 20,000 square feet of retail space and 10,000 square feet of restaurant space. Parking for all uses contained within this alternative is provided in a single above-ground parking structure located on the West Block. This alternative would not provide, as compared to the project: (i) a 29,355 square-foot grocery store; (ii) a 17,507 square-foot gallery; (iii) a 7,849 square-foot fitness/gym/yoga studio; (iv) a 208-room hotel; (v) 895 condominiums; (vi) 528 apartments; and (vii) 21 live/work units.

Operation of the Existing Zoning Alternative also results in ongoing generation of solid waste. Over the long-term, the Existing Zoning Alternative generates approximately 8,743 net ppd of solid waste over existing conditions (see Draft EIR Table VI-34 [Estimated Solid Waste Generation for Existing Zoning Alternative]). As such, this alternative generates approximately 623 ppd more solid waste than the project, resulting in a net generation of 8,120 ppd over existing conditions.

This alternative implements the following Project Objectives to a lesser degree than the project due to the absence of the grocery store, gallery, fitness studio, hotel and housing units: (i) To preserve and promote the Reef as a creative environment that supports the design, rapid prototyping, production, sales, innovation, and exhibition of new products; (ii) To provide a design that emphasizes pedestrian and public transit opportunities, and that integrates linkages between pedestrians, public transit facilities, and the public roadways; (iii) To support regional mobility goals and local and regional growth policies by encouraging development in and around activity centers, reducing vehicle trips and public infrastructure costs; and, (iv) To generate additional annual tax revenues to the City of Los Angeles, including property taxes, sales taxes, transient occupancy taxes,

and gross receipts taxes (i.e., smaller project). This Alternative would not implement the following Project Objectives due to the absence of the grocery store, gallery, fitness studio, hotel and housing units: (i) To construct a complementary, integrated set of land uses and signage that promotes the creation of a vibrant and dynamic 24-hour activity center that would provide the opportunity for people to live, work, and entertain; (ii) To provide the amenities necessary for the Magic Box to attract top-notch events to the City of Los Angeles; (iii) To create an urban center that is compatible with and complementary to currently ongoing growth in the resident population of Downtown Los Angeles; (iv) To provide for the development of an underutilized site near public transportation through the replacement of surface parking lots with new housing, retail uses, restaurants, and a hotel to meet anticipated market demands; and, (v) To provide an integrated mixed-use project that is economically viable and serves the needs of the community and the region.

Reference: For a complete discussion of impacts associated with Alternative 5, please see Section VI of the Draft EIR.

D. Alternatives Rejected as Being Infeasible

In addition to the five alternatives listed above, another alternative was considered and rejected. Specifically, this alternative would consider an alternate site. This alternative was rejected as being infeasible because no other site could accommodate the project (e.g. with an existing commercial building suitable for adaptive reuse, adjoining surface parking lots, and in the vicinity of a transit station) that is owned or under control of the applicant in the City. Accordingly, this alternative was considered but rejected as infeasible.

E. Environmentally Superior Alternative

Section 15126.6(e)(2) of the CEQA Guidelines indicates that an analysis of alternatives to a proposed project shall identify an environmentally superior alternative among the alternatives evaluated in an EIR. In addition, Section 15126.6(e)(2) of the CEQA Guidelines states that: "If the environmentally superior alternative is the 'no project' alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives."

The selection of an environmentally superior alternative is based on an evaluation of the extent to which the alternatives reduce or eliminate the significant impacts associated with the project, and on a comparison of the remaining environmental impacts of each alternative.

Of the alternatives evaluated, the No Project Alternative is considered the overall environmentally superior alternative as it would avoid nearly all of the impacts that would occur under the project. However, although most impacts are avoided under the No Project Alternative, the beneficial aspects of the project, such as the new 1,444 housing units, the new jobs created by the project, the improvement of the project site with distinctive design, architecture and landscaping, and the fulfillment of numerous regional and City plan and policy goals for the area would not occur. Without development of the project at the project site, the No Project Alternative would not meet any of the Project Objectives.

Among the other alternatives, the Reduced Height/Reduced Signage Alternative is environmentally superior to the project. The Reduced Height/Reduced Signage Alternative reduces building heights to 12 stories/143 feet. Under the Reduced

Height/Reduced Signage Alternative, a total of 1,010 apartments and live /work units, and 434 condominiums are provided instead of the 1,444 units in the project. Up to 101,941 square feet of new retail uses, including a 34,705 square-foot grocery store, and a 127-room hotel, rather than a 208-room hotel, are included in Reduced Height/Reduced Signage Alternative. Coupled with the square footage within the Reef building, the development density of this alternative is approximately 5.15:1. The development under this alternative is accommodated in nine new buildings up to 12 stories in height. Parking is provided in a seven-story above-ground garage on the West Block, and in subterranean parking garages on the East Block. Under the Reduced Height/Reduced Signage Alternative, signage on the Reef building is reduced in size by 50% compared to the project, and highly animated signage is not permitted in Vertical Sign Zone 3 on the Reef building.

Because the Reduced Height/Reduced Signage reduces the building heights, signage program and development density, as compared to the project, the Reduced Height/Reduced Signage Alternative avoids the significant and unavoidable impacts of the project with respect to visual quality, light and glare, and cumulative traffic noise. The Reduced Height/Reduced Signage Alternative has the same significant and unavoidable temporary construction visual quality impacts as the project. The Reduced Height/Reduced Signage Alternative has lower, but still significant and unavoidable impacts compared to the project with respect to shade/shadow, air quality, freeway health risk, and transportation. The Reduced Height/Reduced Signage Alternative has lower less-than-significant impacts than the project with respect to public services and utilities.

The Reduced Height/Reduced Signage Alternative implements all but the two following Project Objectives: (i) To provide the amenities necessary for the Magic Box to attract top-notch events to the City of Los Angeles (i.e., smaller Hotel); and (ii) To generate additional annual tax revenues to the City of Los Angeles, including property taxes, sales taxes, transient occupancy taxes, and gross receipts taxes (i.e., smaller project).

XI. OTHER CEQA CONSIDERATIONS

A. Growth Inducing Impacts

Section 15126.2(d) of the CEQA Guidelines requires a discussion of the ways in which a proposed project could induce growth. This includes ways in which a project would foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment.

The project generates approximately 3,808 employees, which results in a net increase of approximately 1,161 employees on the project site over existing conditions. This increased employee population could patronize local businesses and services in the area, and foster economic growth. The potential concentration of employment in this area of the City under the project is consistent with the regional growth management policies discussed in detail in Section IV.J (Land Use & Planning) of the Draft EIR. These policies promote development activity in existing developed areas, especially ones near existing transit and transportation infrastructure, such as the project site. The project fosters economic growth and revitalizes an underutilized area by adding businesses to the project site. The employees associated with the project could, in turn, patronize existing local businesses and services in the area. Additionally, short-term and long-term employment opportunities are expected to be provided during construction and operation of the project.

The City's Southeast Community Plan policies also encourage new growth and development in areas with diverse economic and physical needs that do not require extension of other major infrastructure systems. Specifically, the Community Plan encourages the development of projects with mixed-use commercial and residential development. The goal is to provide housing close to jobs, to reduce vehicular trips, to reduce congestion and air pollution, to assure adequate sites for housing, and to stimulate Pedestrian Oriented Districts to enhance the quality of life in the Plan area. Therefore, this projected employment growth is not expected to cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds projected/planned levels, and that results in an adverse physical change in the environment; or introduces unplanned infrastructure that was not previously evaluated in the adopted Community Plan. Therefore, projected employment growth associated with the project is less than significant.

The project results in a net increase of 1,161 employees over existing conditions, which could result in induced housing growth on and in the vicinity. The project could include some high-skilled jobs, and those employees may choose to relocate or the project site or nearby in Downtown Los Angeles to be closer to their jobs. The types of jobs, which include office, commercial, and hotel, at the project site could enable employees to have wide range of housing options. However, some of the new employees are likely to be drawn from the local labor force readily available in the Southeast Community Plan Area and surrounding communities. In addition, it is likely that many of the employees associated with uses to be located or relocating to the project site are long-term residents of other nearby communities and are unlikely to relocate. According to the Draft/Proposed Southeast Los Angeles Community Plan, the population in the Southeast Los Angeles Community Plan area is expected to increase by 28,422 persons between 2008 and 2035. The construction of 1,444 additional residential dwelling units on the project site is expected to accommodate between 2,224 and 6,309 new permanent residents in the City. The addition of these new residents is within the Community Plan growth projection, representing between approximately 8 percent and approximately 22 percent of the Community Plan total growth for the period of 2008 to 2035. Since the population growth associated with the project is within the projected growth for the Southeast Los Angeles Community Plan area, impacts related to population growth are projected to be less than significant.

B. Significant Irreversible Environmental Changes

Section 15126.2(c) of the CEQA Guidelines provide an EIR is required to address any significant irreversible environmental changes that would occur should the proposed project be implemented. The types and level of development associated with the project would consume limited, slowly renewable, and non-renewable resources. This consumption would occur during construction of the project and would continue throughout its operational lifetime. The development of the project would require a commitment of resources that would include (1) building materials, (2) fuel and operational materials/resources and (3) the transportation of goods and people to and from the project site.

Construction of the project requires consumption of resources that are not replenishable or that may renew slowly as to be considered non-renewable. These resources include certain types of lumber and other forest products, aggregate materials used in concrete and asphalt (e.g., sand, gravel and stone), metals (e.g., steel, copper and lead), petrochemical construction materials (e.g., plastics), and water. Fossil fuels, such as gasoline and oil, are be consumed in the use of construction vehicles and equipment. The consumption of these resources are out through the construction period. The

commitment of resources required for the type and level of development would limit the availability of these resources for future generations for other uses during the operation of the project. However, this resource consumption would be consistent with growth and anticipated growth in the Los Angeles area.

Concurrently, the project contributes to a land use pattern that reduces reliance on private vehicles and the consumption of non-renewable resources in a larger context. The project is within walking distance of the Blue Line and includes 1,906 bicycle parking spaces, thereby fostering the use of alternate modes of transit. Further, the project includes design features and be subject to building regulations that reduce demands for energy resources needed to support project operations. For instance, Project Design Features PDF-UT-1, PDF-UT-2, PDF-UT-3, PDF-UT-7 provide measures by which the project conserves water and energy and be built in accordance with LEED standards. In addition, with compliance with existing regulatory measures, the project is required to confirm that the capacity of the local and trunk lines are sufficient to accommodate the project and implement any upgrades to the sewer system serving the project. The project is also expected to comply with the 2013 Title 24 part 6 building code and the City's Green Building Code, and existing measures related to recycling construction and operational waste and the conservation of natural gas.

Continued use of non-renewable resources is expected to be on a relatively small scale and consistent with regional and local growth forecasts in the area, as well as state and local goals for reductions in the consumption of such resources. The project would not affect access to existing resources, nor interfere with the production or delivery of such resources. The project site contains no energy resources that would be precluded from future use through project implementation. In addition, consumption of resources are justified because the project provides much needed housing, job opportunities to area residents, and open space, retail and restaurant amenities to the community. The project's irreversible changes to the environment related to the consumption of nonrenewable resources would not be significant.

C. CEQA Considerations

1. The City, acting through the Department of City Planning is the "Lead Agency" for the project evaluated the EIR. The City finds that the EIR was prepared in compliance with CEQA and the CEQA Guidelines. The City finds that it has independently reviewed and analyzed the EIR for the project, that the Draft EIR which was circulated for public review reflected its independent judgment and that the Final EIR reflects the independent judgment of the City.

2. The EIR evaluated the following potential project and cumulative environmental impacts: Aesthetics; Air Quality; Biological Resources; Cultural Resources; Geology and Soils; Greenhouse Gas Emissions; Hazards and Hazardous Materials; Hydrology and Water Quality; Land Use and Planning; Noise; Population, Housing, and Employment; Public Services; Transportation; and Utilities. Additionally, the EIR considered Growth Inducing Impacts and Significant Irreversible Environmental Changes. The significant environmental impacts of the project and the alternatives were identified in the EIR.

3. The City finds that the EIR provides objective information to assist the decisions makers and the public at large in their consideration of the environmental consequences of the project. The public review period provided all interested jurisdictions, agencies, private organizations, and individuals the opportunity to submit comments regarding the Draft EIR. The Final EIR was prepared after the review period and responds to comments made during the public review period.

4. Textual refinements and errata were compiled and presented to the decision makers for review and consideration. The City staff has made every effort to notify the decision makers and the interested public/agencies of each textual change in the various documents associated with project review. These textual refinements arose for a variety of reasons. First, it is inevitable that draft documents would contain errors and would require clarifications and corrections. Second, textual clarifications were necessitated in order to describe refinements suggested as part of the public participation process.

5. The Department of City Planning evaluated comments on environmental issues received from persons who reviewed the Draft EIR. In accordance with CEQA, the Department of City Planning prepared written responses describing the disposition of significant environmental issues raised. The Final EIR provides adequate, good faith and reasoned response to the comments. The Department of City Planning reviewed the comments received and responses thereto and has determined that neither the comments received nor the responses to such comments add significant new information regarding environmental impacts to the Draft EIR. The Lead Agency has based its actions on full appraisal of all viewpoints, including all comments received up to the date of adoption of these findings, concerning the environmental impacts identified and analyzed in the EIR.

6. The Final EIR documents changes to the Draft EIR. The Final EIR provides additional information that was not included in the Draft EIR. Having reviewed the information contained in the Draft EIR and the Final EIR and in the administrative record, as well as the requirements of CEQA and the CEQA Guidelines regarding recirculation of Draft EIRs, the City finds that there is no new significant impacts, substantial increase in the severity of a previously disclosed impact, significant information in the record of proceedings or other criteria under CEQA that would require recirculation of the Draft EIR, or preparation of a supplemental or subsequent EIR.

Specifically, the City finds that:

a. The Responses To Comments contained in the Final EIR fully considered and responded to comments claiming that the project would have significant impacts or more severe impacts not disclosed in the Draft EIR and include substantial evidence that none of these comments provided substantial evidence that the project would result in changed circumstances, significant new information, considerably different mitigation measures, or new or more severe significant impacts than were discussed in the Draft EIR.

b. The City has thoroughly reviewed the public comments received regarding the project and the Final EIR as it relates to the project to determine whether under the requirements of CEQA, any of the public comments provide substantial evidence that would require recirculation of the EIR prior to its adoption and has determined that recirculation of the EIR is not required.

c. None of the information submitted after publication of the Final EIR, including testimony at the public hearings on the project, constitutes significant new information or otherwise requires preparation of a supplemental or subsequent EIR. The City does not find this information and testimony to be credible evidence of a significant impact, a substantial increase in the severity of an impact disclosed in the Final EIR, or a feasible mitigation measure or alternative not included in the Final EIR.

7. The mitigation measures identified for the project were included in the Draft and Final EIRs. As revised, the final mitigation measures for the project are described in the Mitigation Monitoring Program (MMP). Each of the mitigation measures identified in the MMP is incorporated into the project. The City finds that the impacts of the project have been mitigated to the extent feasible by the mitigation measures identified in the MMP.

8. CEQA requires the Lead Agency approving a project to adopt a MMP or the changes to the project which it has adopted or made a condition of project approval in order to ensure compliance with the mitigation measures during project implementation. The mitigation measures included in the EIR as certified by the City as adopted by the City serves that function. The MMP includes all of the mitigation measures and project design features adopted by the City in connection with the approval of the project and has been designed to ensure compliance with such measures during implementation of the project. In accordance with CEQA, the MMP provides the means to ensure that the mitigation measures are fully enforceable. In accordance with the requirements of Public Resources Code Section 21081.6, the City hereby adopts the MMP.

9. In accordance with the requirements of Public Resources Section 21081.6, the City hereby adopts each of the mitigation measures expressly set forth herein as conditions of approval for the project.

10. The custodian of the documents or other material which constitute the record of proceedings upon which the City's decision is based is the City Department of City Planning.

11. The City finds and declares that substantial evidence for each and every finding made herein is contained in the EIR, which is incorporated herein by this reference, or is in the record of proceedings in the matter.

12. The City is certifying an EIR for, and is approving and adopting findings for, the entirety of the actions described in these Findings and in the EIR as comprising the project.

13. The EIR is a Project EIR for purposes of environmental analysis of the project. A Project EIR examines the environmental effects of a specific project. The EIR serves as the primary environmental compliance document for entitlement decisions regarding the project by the City and other regulatory jurisdictions.

14. The City finds that the Design Guidelines and Equivalency Program which is part of the project were fully disclosed and analyzed in the EIR and that this program for potential future changes to the project will occur, if requested, only after subsequent environmental review pursuant to CEQA through the Site Plan Review process.

15. The City finds that none of the public comments to the Draft EIR or subsequent public comments or other evidence in the record, including the changes in the project in response to input from the community and the Council Office, include or constitute substantial evidence that would require recirculation of the Final EIR prior to its certification and that there is no substantial evidence elsewhere in the record of proceedings that would require substantial revision of the Final EIR prior to its certification, and that the Final EIR need not be recirculated prior to its certification.

XII. STATEMENT OF OVERRIDING CONSIDERATIONS

The Final EIR identified the following unavoidable significant impacts: 1) Aesthetics – Sign Vertical Zone 3 animated signage; lighting associated with the total level of signage on the Reef building; visual impacts during construction; shade/shadow impacts on the Rutland Apartments; 2) Air Quality – construction VOC emissions; construction and operations VOC emissions; operation NO_x emissions, and freeway adjacent health risks; 3) Noise –cumulative traffic noise on 17th Street west of Hill Street; and 4) Transportation/Circulation – cumulative construction traffic and operational traffic at two intersections in the AM peak hour, nine intersections at PM peak hour, 10 intersections at the Friday PM peak hour, and one intersection at the Saturday Midday peak hour. Section 21081 of the California Public Resources Code and Section 15093(b) of the CEQA Guidelines provide that when the decisions of the public agency allows the occurrence of significant impacts identified in the Final EIR that are not substantially lessened or avoided, the lead agency must state in writing the reasons to support its action based on the Final EIR and/or other information in the record. Article I of the City's CEQA Guidelines incorporates all of the State CEQA Guidelines contained in Title 15, California Code of Regulations, Sections 15000 et seq. and thereby requires, pursuant to Section 15093 (b) of the CEQA Guidelines, that the decision maker adopt a Statement of Overriding Considerations at the time of approval of a Project if it finds that significant adverse environmental effects identified in the Final EIR cannot be substantially lessened or avoided. These findings and the Statement of Overriding Considerations are based on substantial evidence in the record, including but not limited to the Final EIR, the source references in the Final EIR, and other documents and material that constitute the record of proceedings.

Accordingly, the City adopts the following Statement of Overriding Considerations. The City recognizes that significant and unavoidable impacts will result from implementation of the project. Having (i) adopted all feasible mitigation measures, (ii) rejected as infeasible alternatives to the project, (iii) recognized all significant, unavoidable impacts, and (iv) balanced the benefits of the project against the project's significant and unavoidable impacts, the City hereby finds that the each of the project's benefits, as listed below, outweighs and overrides the significant unavoidable impacts of the project.

Summarized below are the benefits, goals and objectives of the project. These provide the rationale for approval of the proposed project. Any one of the overriding considerations of economic, social, aesthetic and environmental benefits individually would be sufficient to outweigh the significant unavoidable impacts of the project and justify the approval, adoption or issuance of all of the required permits, approvals and other entitlements for the project and the certification of the completed Final EIR. Despite the unavoidable aesthetics, air quality, noise, and transportation/circulation impacts caused by the construction and operation of the project, the City approves the project based on the following contributions of the project to the community:

- Construct a mixed-use center with an integrated set of land uses, the first of its kind in the Southeast Los Angeles Community Plan area, with a 208-key hotel to serve the project and area attractions.
- Provide publicly accessible mid-block paseos on the project's West Block (the Exchange) and East Block (the Strand), with a terrace, café, outdoor seating, a performance space and landscaping.
- Add a new cultural amenity to the area in the form of a 17,507 square-foot public gallery designed to host local, national, and international exhibitions and expositions.
- Provide benefits to underserved neighborhoods in Los Angeles through school and

cultural programs.

- Contribute to the expansion of the City's economic base through the development of currently underutilized property, generating a one-time sum of $2.07 million in construction revenues to the City and approximately $5.58 million in recurring City General Fund revenues.
- Provide significant job creation by generating a net increase of 1,161 employees on the project site, including, but not limited to, 174 hotel employees, 80 grocery store employees and 163 employees for the retail uses.
- Add opportunities for local entrepreneurs to set up shop at the project site by proving micro-retail shop spaces at the outer edge of the West Lot parking structure.
- Create employment-generating land uses close to existing and proposed residential uses that provide opportunities for residents of the surrounding area to shorten regular commutes and, thus, reduce vehicle miles traveled and air emissions.
- Reinforce the City's commitment to facilitate a reduction in traffic impacts by locating the project in an area well served by public transportation, including, but no limited to, the Metro Blue Line and Expo Line, LADOT DASH bus and Metro Local buses.
- Promote multimodal transit by providing 1,906 bicycle parking spaces that will be serviced by a bicycle hub with bicycle lockers, bicycle repair shop and showers.
- Incorporate various Green Building/Sustainability Measures and features to enhance air quality and support Los Angeles' sustainability goals and polices. The project is designed to meet the Leadership in Energy and Environmental Design (LEED) Green Building Rating System Silver standard to reduce energy consumption.
- Provide 1,444 new housing units to help meet the market demand for housing in Los Angeles.
- Promote affordable housing by contributing a significant financial contribution to develop new affordable housing and maintain existing affordable units.
- Activate the streets along the project by creating a pedestrian-friendly environment through sidewalk widening and infrastructural improvements. The project creates pedestrian access from Washington Boulevard into and through the new development.
- Provide needed retail shopping and dining opportunities in the form of 67,702 square feet of retail/restaurant uses and a 29,355 square-foot grocery store for the local community.
- Preserve and promote the Reef as a creative environment that supports the design, rapid prototyping, production, sales, innovation, and exhibition of new products by potentially converting 180,000 square feet into creative office space, thereby fostering existing economic endeavors in the community.
- Partner with local non-profits to promote local hiring and/or manage a local hiring program, including facilitating hiring and the dissemination of employment information.
- Provide the City with needed improvements and upgrades to transportation infrastructure where feasible, including, but not limited to, funding the upgrade of the signal controllers at intersections (MM-TR-9), making street improvements (MM-TR-1 through MM-TR-8), and funding the installation of CCTV cameras at intersections (MM-TR-10).

Finding: For all the foregoing reasons, the City finds that the benefits of the project, as approved, outweigh and override the significant and unavoidable impacts identified above.