



To: Mayor and City Council

From: City Manager

Meeting Date: January 24, 2023

Subject: PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT LOCATED AT 8825 WASHINGTON BOULEVARD

Recommendation:

1. Approve and recommend adoption to the City Council of the items listed below;
 - a) Approve a resolution ratifying General Plan Amendment No. 57 adopting the Mercury Specific Plan to the Pico Rivera General Plan;
 - b) Approve a resolution ratifying Conditional Use Permit No. 746 to develop a 255-unit mixed-use apartment complex;
 - c) Approve a resolution ratifying Zone Reclassification No. 325 to change the zone from Commercial General and Mixed-Use Overlay to Mercury Specific Plan;
 - d) Introduce and waive first reading of an ordinance approving Zone Reclassification No. 325;
 - e) Approve a resolution ratifying Zone Code Amendment No. 187 to add the Mercury Specific Plan to the Pico Rivera Municipal Code;
 - f) Introduce and waive first reading of an ordinance adding Chapter 18.21, Mercury Specific Plan to Title 18, Zoning, of the Pico Rivera Municipal Code; and
 - g) Adopt the Mitigated Negative Declaration and Mitigation Monitoring Reporting Program in compliance with the California Environmental Quality Act (CEQA);
2. Deny the project; or
3. Continue this item and request staff to conduct further research.

Fiscal Impact:

Keyser Marston & Associates, a real estate advisory firm conducted a review of the expected revenue and expenses associated with the proposed project. It is estimated that a minimum of \$283,800 would be generated from sales tax, property tax and other City revenue. The development is expected to incur \$196,500 in expenses which includes expenses related to Administration, Public Safety, Parks and Recreation, etc.

Discussion:

Mercury Bowl, LLC/Green Rivera, LLC representatives submitted entitlement applications for the approval of a 255 unit mixed-use, three (3) to six (6) story complex located at 8825 Washington Boulevard. The project site is 2.8 acres with a proposed density of 91 units/acre. The site is zoned Commercial-General (C-G) with a Mixed Use (M-U) overlay zone and a land use designation of Commercial (C). The development includes 4,785 of commercial space and 255 apartment units comprised of 35 studios, 159 one (1)-bedroom units, 57 two (2) bedroom units and four (4) three (3) bedroom units. The project will also be developed with 464 parking spaces of which 358 parking spaces will be designated to residents, 32 for guest spaces and 74 spaces for non-residential uses. The apartments are in a “wrap” configuration in which the apartments “wrap” around the parking structure. The ground floor will be shared by apartments and retail uses. Amenities will include dog runs, decorative fountains, synthetic lawn games, a business center, community room and a roof deck with pool cabanas, tv, spa, game area and club room. The applicant is seeking approval of a General Plan Amendment, Conditional Use Permit, Zone Reclassification and Zone Code Amendment to allow for the entitlement of the mixed-use project.

According to available historical sources, including a Phase I Environmental Site Assessment report, the subject property was formerly agriculturally developed from as early as 1928. Records show that between 1953 and 1956 the property remained undeveloped. A structure was first built in 1957 and tenants included Mercury Bowl in 1966, Latin American Press Club in 1975 and International Banquet Club between 1986 to 1992. Conditional Use Permit records reveal that the structure operated as a banquet hall, night club and restaurant between 1991 to 2018. The El Rodeo Night Club and restaurant was the last known operator. The structure was later demolished in 2020.

The subject parcel is located within one of the City’s main commercial corridor including the Pico Rivera Towne Center to the south and the Pico Rivera Marketplace directly east of the site. The Pico Rivera Marketplace has also been owned by the project applicant,

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
 PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT LOCATED AT 8825 WASHINGTON BOULEVARD
 PAGE 3 OF 15

Optimus Properties for the last 10 years. The site is bordered to the north by single-family homes and to west by Wells Fargo Bank.

Surrounding Properties

	General Plan	Zone	Existing Uses
Site	Commercial (C)	Commercial-General (C-G) Mixed-Use (M-U) Overlay	Vacant
North	Commercial (C) Low Density Residential (LDR)	Commercial-General (C-G) Single-Family (S-F)	Pico Rivera Marketplace Single-Family homes
South	Specific Plan 400.4	Specific Plan 400.4	Pico Rivera Towne Center
East	Commercial (C)	Commercial-General (G-C)	Pico Rivera Marketplace
West	Commercial (C) Low Density Residential (LDR)	Commercial-General (C-G) Single-Family (S-F)	Wells Fargo Bank Single-Family homes

General Plan

The subject site is located within the City’s General Plan Opportunity Area 8, near the Washington and Rosemead Boulevard intersection. In 2014, the City completed a comprehensive General Plan update which identified 16 Opportunity Areas that were expected to accommodate a considerable amount of the City’s anticipated redevelopment and potential new growth. The intent was that these areas would become pedestrian-friendly and visually pleasing destinations. While the General Plan provided broad direction and intent for each corridor, it was anticipated that detailed plans would be prepared for each corridor. The General Plan update also included the rezoning of several parcels that were considered blighted or underutilized. A Mixed-Use Overlay zone was created which provided property owners the flexibility of keeping the underlying zone while being able to develop standalone housing or a mixed-use development project. The subject site was part of the parcels classified with a Mixed-Use Overlay zone.

On September 27, 2022 the City Council adopted the General Plan Housing Element. The Housing Element is one of the required State mandated General Plan Elements which has the purpose to identify and plan for the City’s existing and projected housing needs. The City is allocated a specified number of housing units called the Regional Housing Needs Allocation (RHNA) each eight (8) year planning cycle. The RHNA quantifies current and future housing growth within a city. The Housing Element identifies available candidate housing sites to accommodate the City’s RHNA goals as determined by the Southern California Association of Governments (SCAG). SCAG assigned the City 1,024 affordable housing units and the City identified 69 sites within the City that could accommodate the RHNA. To accommodate the RHNA the City identified the creation of a R-40 Overlay zone that would accommodate 40 units per acre, 10 units per

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 4 OF 15

acre above the existing maximum of 30 units per acre. The R-40 Overlay zone is a new zone created during the Housing Element process to accommodate 40 units per acre. The subject site was identified as a candidate site that would allow up to 40 units per acre provided the project includes affordable housing.

Gold Line Eastside Extension

Washington Boulevard will be the future corridor for the Los Angeles County Metropolitan Transportation Authority (Metro) Eastside Transit Corridor Phase 2, an extension of the Metro L Line (Gold) which currently has a terminus at Pomona Boulevard and Atlantic Boulevard. The light rail will be extended south along Atlantic Boulevard and east on Washington Boulevard. The Metro Board recently voted to approve the terminus of the line to Lambert in the City of Whittier which will be included into the Final Environmental Impact Report (EIR). However, the Initial Operating Segment (IOS) will extend to Greenwood Avenue in the City of Montebello approximately 1.4 miles from the subject site. If chosen as an alternative, the site is estimated to have a construction completion date of 2035.

There is one Metro Bus Line (266) which has a 30-minute peak frequency on Rosemead Boulevard and a Montebello Bus Line (50) which travels along Washington Boulevard with a peak frequency of 30-35 minutes. Due to its proximity to commercial uses and existing and potential transit, the area has the potential to create a key mixed-use, activity center within the City.

Washington Specific Plan

Anticipating the development, of the Metro L (Gold Line) Eastside Extension, Metro awarded the City a grant to prepare a Specific Plan in the Washington Boulevard corridor to advance projects within a one-half mile of a Metro rail. The Washington Specific Plan is currently being developed with an anticipated completion date of August 2023. The Washington Specific Plan area includes a 254-acre area located in the southwest corner of the City south of Washington Boulevard and west of Rosemead Boulevard. A mix of commercial and industrial uses border the project area to the west and to the south; residential and commercial uses border the project area to the north and residential to the east. The main goal of the Specific Plan is Metro's vision to create transit-oriented communities (TOCs) and a framework that strategically assesses and implements compact multi-modal, mixed-use, and a sustainable environment that will become a focal point for community activity. Density, height, design standards and other development themes have not been developed.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 5 OF 15

Keyster Marston Associates Inc. a real estate consultant, provided a market analysis for the study area which focused on market opportunities and residential development for the project area.

Key findings included:

- There is likely pent-up demand for new multifamily development due to a lack of new product over the last several decades.
- Population growth projections indicate market support for over 2,200 new residential units in the three (3) mile market around the plan area through 2034.
- The majority of new construction is currently taking place in nearby Whittier and East Los Angeles.
- Competition from existing regional shopping centers in nearby cities of Whittier, Santa Fe Springs, and Montebello will impact retail opportunities in the plan area.
- The continued growth of on-line retail sales will impact brick and mortar retail in the City, as future demand from higher population and income levels will be offset by increased internet sales.

Project Description

The building varies in height between six (6) stories facing Washington Boulevard and three (3) stories on the northwest corner of the site adjacent to the single-family homes to provide a height buffer. Approximately, 4,785 square feet of retail is provided on the first floor on the east side of the building facing the Pico Rivera Marketplace.

The main access to the project site will be located on Washington Boulevard along the easterly property boundary directly west of the existing McDonald's restaurant within the Pico Rivera Marketplace. The site driveway will provide access to the main internal roadway surrounding the proposed building and to the subterranean parking entrance for the project. The driveway will continue to accommodate left-turn ingress and right-turn ingress and egress traffic movements (i.e., no left-turns out). Physical modifications are not proposed at this driveway. The curb cut for the existing westerly site driveway on Washington Boulevard will remain and will be used only for emergency access. Access will also be permitted through the Pico Rivera Marketplace along Rosemead Boulevard at an existing signalized light. The driveway will continue to accommodate left-turn ingress and right-turn ingress and egress traffic movements. Physical modifications are not proposed at this driveway. A shared access easement will be required for the use of the driveways within the Pico Rivera Marketplace.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 6 OF 15

The primary project components are:

- Three (3) to Six (6) story mixed-used apartment complex.
- 4,785 square feet of retail space.
- Six story parking structure (one level below grade).
- 255 apartment units (35 studios, 159 one (1) bedroom unit, 57 two (2) bedroom units, 4 three (3) bedroom units).
- 464 parking spaces (358 resident, 32 guest and 74 non-residential spaces).
- 47,465 sq. ft of Common Open Space
 - 28,770 square feet of ground floor (dog run, decorative fountains, synthetic game lawn with cornhole game boards).
 - 1,685 square foot Business Center.
 - 3,430 square foot Community Room.
 - 13,580 square foot roof deck (pool, cabanas, tv, party spa, game area, clubroom/amenity building).
- 20,693 sq. ft. of private open space (balconies included with apartment units).

Analysis:

Architecture Description

The proposed project features a contemporary design that uses a variety of colors and materials to provide an articulated architectural design, including manufactured stone veneer, balcony railings, cement plaster in various finish colors, cementitious vertical siding, and metal railings. Setbacks would vary around the perimeter of the development. The proposed building height (at the top of the sixth floor) would be 68 feet. Per the Specific Plan, the building height maximum would be allowed up to 70'. Additional rooftop elements, such as recreation facilities, would be allowed up to an additional 11 feet (excluding roof parapet or screens around mechanical equipment). The building height would step down to three (3) stories at the northwest corner of the project site near the residential community. A block wall would be included where the project site boundary meets with residential uses to the northwest of the project site and where the project site meets with the existing Wells Fargo Bank parking lot to the west.

The proposed project includes a Master Sign Program to provide regulation for the quantity, size, placement, and material of signs on the project site. Signage includes contemporary designs for the retail building and commercial tenants. (Enclosure 2, Attachment F).

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 7 OF 15

The architectural design was peer reviewed by Perkins & Will, an architectural firm. The applicant team incorporated multiple design review recommendations into the revised design. The full recommendations as proposed by Perkins & Will may be viewed as Enclosure 7.

Security

Security measures that control access will be implemented independently for each of the following building elements:

- Parking - Ground floor retail visitors will have access to ground floor parking dedicated to the commercial uses but access to ground floor parking for ground floor residents will be gate controlled, as will parking on floors 2-6 dedicated solely to residents of those floors.
- Residential Elevators, Stairwells and Hallways - Residents only will have electronic key/card access or similar as a measure to control access to the resident only common areas.
- Cameras will be installed on the exterior, parking and all common areas.

Mercury Specific Plan

California Government Code Sections 65450 through 65454 establishes the authority to adopt a Specific Plan, identify the required contents of a Specific Plan, and mandate consistency with the General Plan. A specific plan may encompass an area with several acres, or as small as a single acre. A specific plan may be developed in response to a single policy issue, or to address each applicable policy of a general plan. It may also diverge from the issues contained in the general plan into other subjects viewed by the community as being of relevance.

Danielian Associates, an architectural and planning firm prepared the Mercury Specific Plan for the subject site (Enclosure 1). The Specific Plan contained the minimum required language per Government Code Section 65450 which entails the inclusion of the area span, circulation and utility services, standards for development and consistency with the City's General Plan. Rincon Consultants, Inc. conducted a peer review of the Specific Plan and provided recommendations (Enclosure 8).

The adoption of the Mercury Specific Plan would include development standards that differ from those allowable by the City's General Plan and Municipal Code. The table below is a comparison of the maximum development standards permitted in by the City (General Plan and Municipal Code) as compared to the proposed Mercury Specific Plan.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
 PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
 RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
 AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
 MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
 LOCATED AT 8825 WASHINGTON BOULEVARD
 PAGE 8 OF 15

Development Standard Type	City Development Standards	Mercury Specific Plan
Density Housing Element Site	30 units/acre 40 units/acre	91 units/acre
Floor Area Ratio	2.5	2.2
Front Setback	5 feet	10 feet
Interior Side Setback	5 feet	32 feet
Rear Setback	25 feet	10 feet
Building Height	60 feet	70 feet (building) + 11 feet (Rooftop elements, excluding roof parapets)
Lot Coverage:	N/A	60%
Private Open Space 255 units X 250 sq. ft. =	 63,750 sq. ft.	 20,693 sq. ft.
Common Open Space 255 units X 200 sq. ft. =	 51,000 sq. ft.	 47,465 sq. ft.

Density and Building Height Analysis

The proposed density is 91 dwelling units per acre (du/acre) which is higher than the minimum of 30 units per acre in any zone and 40 units per acre in Housing Element sites. The building height as specified in the Specific Plan is up to 70 feet plus an additional 11 feet for rooftop elements. Staff conducted research of surrounding cities' density and height for comparison. A summary of staff's research is included on the following page.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
 PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT LOCATED AT 8825 WASHINGTON BOULEVARD
 PAGE 9 OF 15

Jurisdiction	Project	Density	Height
1. Pico Rivera	Mercury Apartments (Proposed)	91 du/acre	6 Story 70 ft. + 11 for amenities not including screening
2. Alhambra	The Villages 1001 S. Freemont Avenue	75 du/acre	6-story (75 ft.)
3. Bellflower	The Edgeway 16411 Bellflower Boulevard	81 du/acre	5-story
4. Montebello	Poplar Avenue Residential (A) 116, 128, 136 N. Poplar Avenue	83 du/acre	4-story (47 ft.)
5. South Gate	Jefferson SoLA 10920 Garfield Avenue	55 du/acre	4-story

Conditional Use Permit

A conditional use permit is required to implement the development standards stipulated in the Specific Plan. Any significant amendments to the Conditional Use Permit would require consistency with the Mercury Specific Plan and may require a Conditional Use Permit modification as stipulated in Pico Rivera Municipal Code Chapter 18.56, *Conditional Use Permits*.

Zone Reclassification and Zone Code Amendment

A zone reclassification is required to change the existing zoning of Commercial-General (C-G) and Mixed-Use Overlay to Mercury Specific Plan. A Zone Code Amendment is required to include the Mercury Specific Plan text as part of the Pico Rivera Municipal Code.

Parking Analysis

Linscott, Law & Greenspan (LLG), an engineering firm conducted a Traffic Impact Analysis Report (Enclosure 14) which analyzed the parking ratios required for the project site utilizing the Institute of Transportation Engineers (ITE) Parking Engineer Manual publication, a nationally recognized organization. Per the analysis, the project would require 1.47 parking spaces per unit for a total of 375 spaces for the residential component. The applicant is providing a total of 390 for the residential component. The spaces would be allocated as follows: 358 for resident parking, 32 for guest spaces, and 74 for non-residential uses. For comparison purposes, if the City applied the strict application of the current parking code it would require 542 parking spaces for the residential component.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 10 OF 15

The Traffic Impact Analysis Report also reviewed site-specific multifamily residential parking surveys that have been previously conducted by LLG. Parking demand data for other existing multi-family residential sites are based on the empirical parking demand studies conducted at the following three (3) multi-family residential sites:

- Paragon at Old Town located at 700 S. Myrtle Avenue, Monrovia (163 units)
- Trio Apartments located at 44 N. Madison Avenue, Pasadena (304 units)
- Main Street Village located at 2555 Main Street, Irvine (481 units)

The average of the peak parking ratio results for the three (3) surveyed sites was 1.36 spaces per unit. This ratio would require a total of 347 parking spaces for the residential component of the subject project. The highest residential peak parking demand ratio to the proposed project would yield a forecast peak parking demand of 377 parking spaces (i.e., 1.48 spaces/dwelling unit x 255 dwelling unit = 377 spaces), which is lower than the City's Municipal Code residential parking requirement of 542 spaces.

Walker Consultants, a parking consultant completed a citywide parking study that determined parking ratios per number of bedrooms. Walker Consultant used industry standard references such as the ITE and Urban Land Institute (ULI) Parking Model to determine these ratios. Applying the Walker Consultant standard, the project would require 316 parking spaces.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
 PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
 RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
 AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
 MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
 LOCATED AT 8825 WASHINGTON BOULEVARD
 PAGE 11 OF 15

Parking Comparison

Unit Type	No. of Units/Sq, ft.	Walker Consultant Ratios	Spaces Required by Walker Study	Proposed Specific Plan Ratios	Spaces Required by Proposed Specific Plan	Pico Rivera Zoning Ordinance Ratios	Pico Rivera Zoning Ordinance Ratios
Studio	35 units	1	35	1	35	2 spaces/unit	70
1 Bedroom	159 units	1.05	167	1.4	223	2 space/unit	318
2 Bedroom	57 units	1.8	103	1.6	92	2 spaces/unit	114
3 Bedroom	4 units	2.65	11	2	8	2 spaces/unit	8
Guest	255 unit ¹	Built into above ratios	Built into above ratios	.125/unit	32	1 space/8 units	32
Leasing	1,715 sq.ft.	1/250 sq ft	7	1/250 sq. ft.	7	1/250 sq. ft.	7
Retail	4,785 sq.ft.	1/250 sq ft	20	1/250 sq. ft.	20	1/250 sq. ft.	20
USPS	N/A		1		1		1
Total							
Total Parking			346		420		572

The Mercury Specific Plan also included a parking comparison with the City of Bellflower Transit Oriented Development Specific Plan, Hawthorne Specific Plan and Culver City Specific Plan. The analysis concluded that the parking ratios within these Specific Plans required parking ratios slightly less than or equal to the proposed ratios.

According to the Traffic Impact Analysis Report, shared parking will not be permitted within the Pico Rivera Marketplace. Signs will be posted within the shopping center to prohibit tenants from parking in the center overnight and will be enforced by security staff monitoring the center on a 24-hour basis.

The development would also include a Community Liaison/Parking Ombudsman that would manage and enforce resident and employee parking rules and would address any complaints from the public. The telephone number of the Parking Ombudsman would be provided to the neighborhood. The Parking Ombudsman will send notices of violation and after the second notice the lease would be suspended or not renewed.

Traffic Analysis

Linscott, Law & Greenspan, an engineering firm prepared a traffic impact analysis report which was reviewed and approved by the City's consultant traffic firm, Willdan Engineering (Enclosure 14). The proposed project is expected to generate 111 vehicle trips (40 inbound trips and 71 outbound trips) during the weekday AM peak hour. During the weekday PM peak hour, the proposed project is expected to generate 134 net new vehicle trips (80 inbound trips and 54 outbound trips). Over a 24-hour period, the proposed project is forecast to generate 1,594 daily trip ends during a typical weekday (797 inbound trips and 797 outbound trips). According to the traffic analysis the proposed project is not expected to have a significant impact on active transportation or public transit in the vicinity of the project site.

Strategic Market Analysis

Robert Charles Lesser & Company (RCLCO), an urban real estate advisory firm prepared a Strategic Market Analysis on behalf of the project applicant (Enclosure 9). The objective of the Market Analysis was to; 1) provide direction regarding the unit types, sizes, and parking, 2) project achievable monthly rents and lease-up potential and, 3) assess demand and supply conditions and determine the adequacy of the market depth for the proposed project. The Analysis was peer reviewed by Keyser Marston & Associates, a real estate consultant. The peer review allowed the applicant to provide clarification on average asking rents, unit sizes, density, affordability and overcrowding. The full peer review and responses may be found as Enclosure 10.

Fiscal Impact Analysis

A Fiscal Impact Analysis (Enclosure 12) was commissioned by the applicant and prepared by the Kosmont Companies, an economic development and estate advisory services firm. The Fiscal Impact Analysis analyzed the expected annual revenues and expenditures expected for the City's general fund. The Fiscal Impact Analysis was peer reviewed by Keyser Marston & Associates (Enclosure 13). The following are the key findings:

- Kosmont Companies anticipate project annual revenues which include property tax, sales tax and other City revenue at \$346,000 as compared to Keyser Marston & Associates anticipated revenue of \$283,800.
- Kosmont Companies anticipate an annual project expense which include administration, public safety, parks and recreation, etc. of \$178,300 as compared to Keyser Marston & Associates of \$196,500.

Additional Community Benefits

- The project will no longer include 13 moderate income housing units.
- Bicycle Parking - Bicycle parking and storage would also be provided for the project, with a minimum of 12 long-term bicycle spaces and a minimum of four (4) short-term bicycle spaces. Short-term bicycle parking typically consists of bicycle racks. Long-term bicycle parking are fully enclosed spaces and typically consist of bicycle lockers, bicycle rooms, or bicycle cages.
- 47 electric vehicle charging station (EVCS) installed spaces will be provided on-site (i.e., 44 residential spaces and 3 commercial spaces).
- A voluntary public benefit fee \$250,000 for public infrastructure and/or safety shall also be applied.

General Plan Consistency

The project is consistent with the applicable objectives, policies, and goals contained within the General Plan as identified below.

- Policy 5.1-4 Smart Growth Development. Integrate transportation and land use decisions to enhance opportunities for development that is compact, walkable, and transit oriented. The site is located within a major commercial corridor which will facilitate less vehicle trips due to its proximity to retail establishments and existing transportation facilities.
- Policy 3.6-2 Sustainable Development. Promote land development practices that reduce energy and water consumption, pollution, greenhouse gas emissions, and disposal of waste materials. The proximity of the project to commercial land uses will reduce vehicle trips thereby reducing greenhouse gas emissions.
- Policy 3.8-2 Reuse and Intensification. Promote the reuse of vacant, underutilized, and inefficient commercial uses for more economically productive purposes, including higher intensity businesses, housing and mixed-use development. The proposed project is for housing purposed and mixed-use development which is consistent with the policy. Inclusive, the vacant lot and former use as a nightclub and restaurant within the proximity of the commercial corridor was considered an inefficient use of land compared to the housing needs of the City and region.

Community Outreach

City staff and the project applicant conducted and participated in community outreach efforts to notify the community of the proposed project as indicated below:

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 14 OF 15

- On June 3, 2021, the applicant held a virtual community meeting in both Spanish and English due to Covid-19 restrictions.
- On November 18, 2021, the City mailed and distributed a second community notice in both English and Spanish and held an in person Open House.
- On August 11, 2022, the City distributed a community notice within a 1000' radius and held an in person Open House.

During the application period, the applicant hired CommunicationsLab a community outreach firm provided several outreach opportunities at several city community events. A summary of their community efforts is included as Enclosure 17. Inclusive, the applicant created their own website <https://www.transformpico.com> to further provide outreach to the public. City sanctioned information about the project may be found on the City website at <https://www.pico-rivera.org/index.php/private-projects/> .

Comment Letters, Letters of Support, Opposition and comment cards from the community meetings may be found as Enclosure 18.

Planning Commission

On November 21, 2022, the Planning Commission voted 3-2 in support of recommending the project to the City Council. Twenty-three (23) people spoke against the project citing concerns with affordability, parking, traffic, circulation, privacy, safety, increase in crime rates, overcrowding, declining property values, and construction impacts. A community petition was also submitted against the project garnering 325 signatures. The community petition may be found as Enclosure 19. The applicant also provided additional clarification on items that were discussed during the Planning Commission hearing. A copy of the responses may be found as Enclosure 20.

Environmental Analysis:

Pursuant to provisions of the California Environmental Quality Act and CEQA Guidelines, Section 15063, and following an Initial Study and environmental assessment of possible adverse impacts, the project will not have a significant effect on the environment because of the inclusion of certain mitigation measures which lessened potential adverse impacts to a level of less than significant. The CEQA analysis included air quality, greenhouse gas, geotechnical engineering, noise, vibration, tribal consultation, and transportation impact studies. Therefore, a Mitigated Negative Declaration was prepared with mitigation measures and monitoring program in accordance with the provisions of CEQA.

CITY COUNCIL AGENDA REPORT – MEETING OF JANUARY 24, 2023
PUBLIC HEARING – CONDITIONAL USE PERMIT NO. 746, ZONE
RECLASSIFICATION NO. 325, ZONE CODE AMENDMENT NO. 187, GENERAL PLAN
AMENDMENT NO. 57, AND MITIGATED NEGATIVE DECLARATION AND MITIGATION
MONITORING PROGRAM TO DEVELOP A 255 UNIT MIXED-USE DEVELOPMENT
LOCATED AT 8825 WASHINGTON BOULEVARD
PAGE 15 OF 15

Conclusion:

Staff recommends City Council approve General Plan Amendment No. 57, Conditional Use Permit No. 746, Zone Reclassification No. 325 and Zone Code Amendment No. 187; or deny the project; or continue the project and request staff to conduct further research.



Steve Carmona

SC:JG

Enclosures:

- 1) Resolution – General Plan Amendment No. 57
- 2) Resolution – Conditional Use Permit No. 746
- 3) Resolution – Zone Reclassification No. 325
- 4) Ordinance – Zone Reclassification No. 325
- 5) Resolution – Zone Code Amendment No. 187
- 6) Ordinance – Zone Code Amendment No. 187
- 7) Architectural Peer Review Comments
- 8) Specific Plan Peer Review Comments
- 9) Strategic Marketing Analysis
- 10) Strategic Marketing Analysis Peer Review comments
- 11) Response to Strategic Marketing Analysis
- 12) Fiscal Impact Analysis
- 13) Fiscal Impact Analysis Peer Review Comments
- 14) Traffic Impact Analysis Report
- 15) Mitigated Negative Declaration
- 16) Mitigated Negative Declaration Response to Comments
- 17) Optimus Properties Outreach Memo
- 18) Comment Letters/Public Comments
- 19) Community Petition
- 20) Planning Commission Applicant Response
- 21) Public Notice