

the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

SECTION 7. The City Council directs staff to prepare, execute and file a CEQA Notice of Determination with the Orange County Clerk's Office within five working days of the City Council approval of Amendment Application No. 2020 for the 4th and Mortimer Mixed-Use Development Project.


SECTION 8. The 2010 EIR and the 2020 EIR Addendum, and any other documents and materials that constitute the record of proceedings upon which these findings have been based are on file, are incorporated herein by reference and are available for public review at Santa Ana City Hall, Planning and Building Agency, M20, 20 Civic Center Plaza, Santa Ana, California 92701. The custodian of these records is Daisy Gomez, City Clerk for the City.

SECTION 9. This resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this resolution.

ADOPTED this ____ day of _____, 2020.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: 

Lisa E. Storck
Assistant City Attorney

Resolution No. 2020-xx

Page 5 of 8

75C-323

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2020.

Date: _____

Clerk of the Council
City of Santa Ana

EXHIBIT A
MITIGATION MONITORING AND REPORTING PROGRAM

The Mitigation Monitoring and Reporting Program (MMRP) is available online at:
<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:
Planning and Building Agency – Planning Division Public Counter
20 Civic Center Plaza
Santa Ana, CA 92701

EXHIBIT B
4TH AND MORTIMER EIR ADDENDUM

The 4th and Mortimer Mixed-Use Development Project EIR Addendum and
Technical Appendices are available online at:

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

LS 10.12.20

ORDINANCE NO. NS-XXXX

AN ORDINANCE OF THE CITY COUNCIL APPROVING AMENDMENT APPLICATION NO. 2020-04 MODIFYING THE SUB-ZONING DESIGNATION OF THE PROPERTIES LOCATED AT 501, 507, 509, 515, AND 519 EAST FOURTH STREET AND THOSE AT 502, 506, 510, 514, 520 EAST FIFTH STREET FROM SPECIFIC DEVELOPMENT NO. 84, URBAN NEIGHBORHOOD 2 (UN-2) SUB-ZONE, TO THE URBAN CENTER (UC) SUB-ZONE

THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

WHEREAS, Chapter 41, Article 1, Division 1, Section 41-1 of the Santa Ana Municipal Code establishes the necessity of segregating the location of residences, businesses, trades and industries; regulating the use of buildings, structures, and land regulation; the location, height, bulk and size of buildings and structures, the size of yards and open space; the City is divided into land-use districts of such number, shape and area as may be considered best suited to carry out these regulations and provide for their enforcement; and

WHEREAS, the regulations are considered necessary in order to: encourage the most appropriate use of land, conserve and stabilize property value, provide adequate open spaces for light and air and to prevent and fight fires, prevent undue concentration of population, lessen congestion on streets and highways, and promote the health, safety and general welfare of the people, all as part of the general plan of the City; and

WHEREAS, the City of Santa Ana has adopted a zoning map which has since been amended from time to time; and

WHEREAS, Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), seeks to develop the 4th and Mortimer Mixed-use Development Project ("proposed Project"), on a 1.423-acre site at 409 East Fourth Street and a 1.292-acre site at 501, 507, 509, 515, and 519 East Fourth Street and 502, 506, 510, 514, 520 East Fifth Street (collectively referred to as "509 East Fourth Street") in Santa Ana, California ("Project Site"); and

WHEREAS, during the City's entitlement and environmental review process, and in response to comments and concerns raised by the City and public, the Applicant has proposed the subject mixed-use Project; and

WHEREAS, the entire Project as currently proposed entails, among other things, (1) demolition of an existing commercial grocery market, surface parking lot, an existing commercial auto building, and ancillary structures on the Project Site; (2) redevelopment of the Project Site with a residential and commercial mixed-use development consisting mixed-use residential and commercial development consisting of two separate buildings located on two development sites at 409 (Site A) and 509 (Site B) East Fourth Street, with up to 169 residential rental units, 11,361 square feet of commercial space, 422 on-site parking spaces, and onsite landscaping and amenities; (3) approval of Site Plan Review No. 2020-03 to allow the construction of two structures over four stories in height; (4) approval of Variance No. 2020-06 to allow an increase in the allowable building size and massing for Site B; and (5) approval of Amendment Application (AA) No. 2020-04, which would change the zoning of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center (UC) sub-zone; and

WHEREAS, the requested Amendment Application would modify the zoning designation of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to Specific Development No. 84, Urban Center (UC) to facilitate the construction of the proposed Project; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), the City Council of the City of Santa Ana hereby finds, determines, and declares as follows:

Based on the substantial evidence set forth in the record, including but not limited to the Environmental Impact Report (EIR) for the Transit Zoning Code Project (SCH NO. 2006071100) and the 2020 4th and Mortimer Mixed-Use Development EIR Addendum, the City Council finds that an addendum is the appropriate document for disclosing the changes to the subject properties, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- A. The project does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- B. There is not a substantial change with respect to the circumstances under which the project will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.
- C. New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant

effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

WHEREAS, the 2020 4th and Mortimer Mixed-Use Development EIR Addendum analyzed the impacts related to the proposed amendment to the zoning map and Specific Development No. 84; and

WHEREAS, on October 12, 2020, the Planning Commission conducted a duly noticed public hearing to consider the 2020 4th and Mortimer Mixed-Use Development EIR Addendum, Site Plan Review No. 2020-03, Variance No. 2020-06, and Amendment Application No. 2020-04 described above. After hearing all relevant testimony from staff, the public and the City's consultant team, the Planning Commission voted to recommend that the City Council adopt a resolution approving an Addendum to the EIR for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04, and to adopt an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).

WHEREAS, on December 1, 2020, the City Council conducted a duly noticed public hearing to consider the 2020 4th and Mortimer Mixed-Use Development EIR Addendum and Amendment Application No. 2020-04 and at which hearing members of the public were afforded an opportunity to comment upon the Project. After hearing all relevant testimony from staff, the public and the City's consultant team, the City Council voted to adopt a resolution approving an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04, and to adopt an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT: The City Council has reviewed and approved an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04.

SECTION 3. AMENDMENT APPLICATION: The Amendment Application consists of amendments to the zoning map changing the zoning of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center

(UC) sub-zone, as shown in Exhibit A and Exhibit B respectively, attached hereto and incorporated herein by reference.

SECTION 4. LOCATION OF DOCUMENTS: The Amendment Application, Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and all supporting documents are online, on file and available for public review at Santa Ana City Hall, 20 Civic Center Plaza, Santa Ana, California 92702.

SECTION 5. GENERAL PLAN CONSISTENCY: The City Council hereby finds that the proposed Amendment Application is compatible with the objectives, policies, and general plan land use programs in that:

- A. The proposed Amendment Application will not adversely affect the public health, safety, and welfare in that the Amendment Application will not result in incompatible land uses on adjacent properties, inconsistencies with any General Plan goals or policies, or adverse impacts to the environment.
- B. The amendment application to change the zoning designation of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center (UC) sub-zone is consistent with Santa Ana Municipal Code section 41-593.1 for the following reasons:

(1) Protecting and enhancing the value of properties by encouraging the use of good design principles and concepts, as related to the division of property, site planning and individual improvements with full recognition of the significance and effect they have on the proper planning and development of adjacent and nearby properties.

The project's site plan has been designed to integrate the project site into the surrounding community. Both parking garages will provide vehicular gates separating available commercial parking spaces (e.g., guest, commercial, employee, etc.) from the residential parking areas. Vehicular access will be provided from Fifth Street by one right-turn only driveway west of Mortimer Street and one full access driveway east of Mortimer Street. The on-site circulation would provide safe access for vehicle-pedestrian traffic and the driveway would provide sufficient throating such that access to parking spaces is not impacted by internal vehicle queuing/stacking. Pedestrian access points would be provided by residential lobbies access along French and Mortimer Street. These access points have been designed to ensure the safety of residents and visitors of the project site, as well as commuters, employees, and residents of the surrounding community.

(2) Encouraging, securing and maintaining the orderly and harmonious appearance, attractiveness and aesthetic development of structures

and grounds in order that the most appropriate use and value thereof be determined and protected.

Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana. Each site has its own unique architectural vernacular defined by scale, facade articulation, roof forms, materials, and detailing. Both of these blocks are designed in closely related and established California Contemporary architectural style, which complements the neighborhood in which the development is located.

The overall development will feature amenities commonly found at other upscale mixed-use developments in the region. These include a large courtyard with pool, spa, clubroom, fitness room, and landscaping in the center of Site A; a roof terrace on the 7th floor of Site A, overlooking Fourth and French streets; a leasing office and lounge in Site A; a bike locker in Site A; and a ground-floor lobby and resident amenity area in Site B. In addition, the project features private open space/decks for 59 units on Site A and 48 on Site B. The two-block project will be built and is conditioned to be managed as a single community and all amenities will be accessible to residents from either site.

(3) Providing a method whereby specific development plans are to be based on the general plan as well as other regulations, programs, and legislation as may, in the judgment of the city, be required for the systematic execution of the general plan.

The project site has a General Plan designation of District Center on Site A and Urban Neighborhood on Site B. The District Center-Downtown District and Urban Neighborhood land use designation accommodates high-rise office, commercial, and mixed-use residential uses with an emphasis on streets that accommodate all modes of transportation for this land use designation. The allowable floor area ratio (FAR) for District Center and Urban Neighborhood land use designation would be a maximum of 3.0 and 1.80, respectively. The proposed project would include construction of two new buildings, one of which would be seven stories in height with an FAR of 2.4 (Site A) and one that would be five stories in height with an FAR of 1.8 (Site B), consistent with the allowable FAR as part of the General Plan.

Furthermore, the project is consistent with several goals and policies of the General Plan, including the Economic

Development Element and Land Use Element. Land Use Element Goal 1 promotes a balance of land uses to address basic community needs. Policy 1.1 promotes medium density housing in and around the downtown area and Policy 1.2 supports high density residential development within the City's District Centers as a part of a mixed use development. The project will involve construction of a mixed-use residential and commercial building on Site A with a density of 69.6 du/ac, and a multi-family residential building on Site B with a density of 54.2 du/ac, on two adjacent city blocks in downtown, within the Transit Zoning Code area. Therefore, the Project will be consistent with the General Plan Land Use Element.

- 4) Recognizing the interdependence of land values and aesthetics and providing a method to implement this interdependence in order to maintain the values of surrounding properties and improvements and encouraging excellence of property development, compatible with the general plan for, and character of, the city, with due regard for the public and private interests involved.

The project is consistent with the Land Use Element Goal 2 which promotes land uses that enhance the City's economic and fiscal viability. Policy 2.7 support projects that contribute to the redevelopment and revitalization of the central City urban areas. The development proposes to redevelop to City blocks currently occupied by a commercial building, surface parking lot, and vacant and unimproved buildings and parcels. Policy 2.10 supports new development that is harmonious in scale and character with existing development in the area. Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana. The mixture of land uses on the project site, including residential, commercial, and open space, will contribute to the formation a dynamic downtown core. The commercial and open space components will serve both residents and visitors of the project site, as well as the large daytime employee population working in the project site's immediate vicinity.

- (5) Ensuring that the public benefits derived from expenditures of public funds for improvements and beautification of streets and public facilities shall be protected by exercise of reasonable controls over the character and design of private buildings, structures and open spaces.

The project is consistent with Economic Development Element Goal 2 maintains and enhances the diversity of the City's economic base. Policy 2.3 encourages the development of

mutually beneficial and supportive business clusters within the community. The construction of this project will contribute toward an economically balanced community by providing housing and commercial retail opportunities (e.g., restaurant, retail sales, etc.) for different demographics in an area rich with employment opportunities, commercial development, and market-rate housing. In addition, a fiscal and economic impact analysis estimates that the proposed development will result net positive fiscal impacts to the City, the Business Improvement District, and over 800 new temporary or permanent jobs. Specifically, the analysis estimates \$5.4 million net new General Fund revenues associated with the project over a 25-year period. The mixed-use development will utilize existing water, sewer, and drainage infrastructure and will not result in the expansion of infrastructure. In addition, the Project will not result in the need for expansion of new or altered police or fire facilities.

SECTION 6. INDEMNIFICATION.

A. General Indemnification. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

B. Further Indemnification. Within five (5) days of receipt of a referendum petition by the City, Applicant shall deposit Fifty Thousand Dollars (\$50,000) ("Referendum Deposit") with the City. City may use the funds to pay any and all costs associated with said referendum measure. If at any time the Referendum Deposit account has Five Thousand Dollars (\$5,000) or less remaining, Applicant shall, within

three (3) days of receiving notice from the City, deposit with the City additional funds as requested by the City to cover all costs and expenses associated with processing the referendum and holding the related election. Following certification of the election results, any funds remaining in the Referendum Deposit account shall be returned to the Applicant.

SECTION 7. If any section, subsection, sentence, clause, phrase or portion of this ordinance for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Santa Ana hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 8. CITY COUNCIL ACTIONS: The City Council hereby takes the following actions:

1. The City Council hereby adopts an Ordinance approving Amendment Application No. 2020-04 as follows:
 - A. Subject to compliance with the approved Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adopted mitigation monitoring and reporting program for Amendment Application No. 2020-04, the properties at 501, 507, 509, 515, and 519 East Fourth Street and 502, 506, 510, 514, 520 East Fifth Street shall be amended to Specific Development No. 84 Urban Center (UC) sub-zone as set forth in Exhibit A and Exhibit B, attached hereto and incorporated herein by reference.
 - B. The Amendment Application shall not take effect unless and until the Planning Commission reviews and approved the EIR Addendum, Environmental Review No. 2018-113, Variance No. 2020-06 and Site Plan Review No. 2020-03, and the City Council reviews and approves the EIR Addendum, Environmental Review No. 2018-113 for the subject project.


SECTION 9. EXECUTION OF ORDINANCE. The Mayor shall sign this Ordinance and the Clerk of the Council shall attest and certify to the adoption thereof.

ADOPTED this _____ day of _____, 2020.

Miguel A. Pulido
Mayor

Ordinance No. NS-XXXX
Page 8

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: 
Lisa E. Storck
Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify that the attached Ordinance No. NS-XXXX to be the original ordinance adopted by the City Council of the City of Santa Ana on _____, 2020, and that said ordinance was published in accordance with the Charter of the City of Santa Ana.

Date: _____

Daisy Gomez
Clerk of the Council
City of Santa Ana

REQUEST FOR Planning Commission Action



PLANNING COMMISSION MEETING DATE:

OCTOBER 12, 2020

TITLE:

PUBLIC HEARING – ENVIRONMENTAL REVIEW NO. 2018-13, SITE PLAN REVIEW NO. 2020-03, VARIANCE NO. 2020-06 AND AMENDMENT APPLICATION NO. 2020-04 TO ALLOW CONSTRUCTION OF A NEW MIXED-USE DEVELOPMENT AT 409 AND 509 EAST FOURTH STREET

PLANNING COMMISSION SECRETARY

APPROVED

- ☐ As Recommended
☐ As Amended
☐ Set Public Hearing For _____

DENIED

- ☐ Applicant's Request
☐ Staff Recommendation

CONTINUED TO _____

Prepared by Pedro Gomez, AICP

Executive Director

Planning Manager

RECOMMENDED ACTION

1. Adopt a resolution approving Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Site Plan Review No. 2020-03 and Variance No. 2020-06.
2. Adopt a resolution approving Site Plan Review No. 2020-03 for a new mixed-use development project over four stories in height as conditioned.
3. Adopt a resolution approving Variance No. 2020-06 for an increase in the allowable building size and massing as conditioned.
4. Recommend that the City Council:
 - a. Adopt a resolution approving an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04.
 - b. Adopt an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).

Executive Summary

Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate, is requesting approval of multiple entitlements to facilitate construction of a new mixed-use community on two City blocks located at 409 East Fourth Street (Site A) and 509 East Fourth Street (Site B). Specifically, the applicant is requesting approval of an addendum to the Environmental Impact Report for the Transit Zoning Code (TZC), as well as a site plan review (SPR) to allow construction of two buildings over four stories in height, a variance to allow a reduction in required massing standards,

and an amendment application (AA) to amend the designation on various parcels from the Urban Neighborhood 2 (UN-2) subzone to the Urban Center (UC) subzone. The project would contain a total of 169 residential rental units and 11,361 square feet of commercial space.

Staff is recommending approval of the applicant's request due to the project's satisfaction of meeting the intent of the TZC to promote a pedestrian-oriented environment with a mix of land uses, facilitating the redevelopment of underutilized land, encouraging increased employment opportunities within the City, the generation of additional property and sales taxes, and because the project will provide additional high-quality housing stock.

Table 1: Project and Location Information

| Item | Information | |
|-------------------------------|--|--|
| Project Address | 409 East Fourth Street and 509 East Fourth Street | |
| Nearest Intersection | Fourth and French streets and Fourth and Mortimer streets | |
| General Plan Designation | Site A – District Center (DC) Site B – Urban Neighborhood (UN) | |
| Zoning Designation | Transit Zoning Code (Specific Development No. 84), Downtown subzone (Site A) and Urban Neighborhood 2 subzone (Site B) | |
| Surrounding Land Uses | Commercial, Single- and Multi-Family (North) | |
| | Commercial and Single-Family (East) | |
| | Commercial and Multi-Family (South) | |
| | Commercial and Parking (West) | |
| Site Size | 2.715 acres combined (Site A: 1.423; Site B: 1.292 acres) | |
| Existing Site Development | Site A contains a commercial building (Northgate Gonzalez Market) and a surface parking lot; Site B contains vacant buildings and parcels. | |
| Use Permissions | Mixed-use projects are permitted by Section 41-2006 and Section 41-2007 of the SAMC. | |
| Zoning Code Sections Affected | Uses | Table 2A, SAMC Sec. 41-2007. SPR required pursuant to SAMC Sec. 41-2007; |
| | Development Standards | Transit Zoning Code, SAMC Sec. 41-2011, 41-2012 and 41-2023 |

Project Description

The project includes demolition of an existing Northgate Gonzalez Market and surface parking lot at 409 East Fourth Street (Site A) as well as the demolition of an existing commercial automobile service building and ancillary structures at 509 East Fourth Street. The existing commercial facility, Ming's Auto Repair, located at the northeast corner of Fourth and Mortimer streets (501 East Fourth Street), is not part of the proposed project and will remain. Once the onsite buildings are demolished and the sites are cleared, the applicant proposes to construct a mixed-use community on two development sites, Site A and Site B, containing 169 residential units, 11,361 square feet of leasable commercial area, and 422 onsite parking spaces. Table 2 on the following page provides a summary of the proposed project.

Table 2: Project Summary

| | Site A | Site B | Total |
|--------------------------|-------------|-------------|-------------|
| Site Area | 1.423 acres | 1.292 acres | 2.715 acres |
| Residential | 99 units | 70 units | 169 units |
| Amenities/Leasing Office | 8,075 S.F. | None | 8,075 S.F. |
| Retail | 11,361 S.F. | None | 11,361 S.F. |
| Public/Common Open Space | 15,345 S.F. | 13,233 S.F. | 28,578 S.F. |
| Private Open Space | 8,428 S.F. | 2,832 S.F. | 11,260 S.F. |
| Parking | 230 stalls | 192 stalls | 422 stalls |

Residential and Commercial Components

Site A will contain a mixed-use commercial/residential structure with 99 residential units, a 3,847-square-foot tenant suite designed for an eating establishment, 7,514 square feet of retail space, a resident and leasing lobby, site amenities, a bicycle storage room, and a four-and-a-half story, aboveground parking garage with 230 parking spaces. The building frontage along Fourth Street, and the intersections of Fourth and French street and Fourth and Mortimer streets, would be seven-stories in height. The building would be five-stories in height along the French Street and Mortimer Street frontages.

The proposed suite designed for an eating establishment would be located on the ground floor at the corner of Fourth and French street and is designed to allow both indoor and outdoor dining. Also fronting Fourth Street is the retail space and leasing office. The four-and-a-half story parking garage would be located at the intersection of French and Fifth streets and will be accessed from Fifth Street. Resident amenities will include a large pool, courtyard, and residential amenities on the third level, and a rooftop deck on the seventh floor overlooking Fourth Street. A total of 23,773 square feet of open space, including 8,428 square feet of private open space and 15,345 square feet of common open space will be included.

Site B is designed to be residential only and will contain 70 units and a four-story, aboveground parking garage with 192 onsite parking spaces. The residential building will be accessed from a lobby on Mortimer Street and would be five stories in height across the site. Along the Fourth Street frontage, Site B would include a courtyard and residential units. The four-story parking garage would be located at the corner of Fifth and Minter streets and will be accessed from Fifth Street. Site B includes 16,065 square feet of open space, including 2,832 square feet of private open space and 13,233 square feet of common open space.

Of the development's 169 units, 21 will be studios (12.5 percent), 38 will be one-bedroom (22.5 percent), 66 will be two-bedroom (39 percent), 9 will be three-bedroom (5 percent), and 35 will be four-bedroom units (21 percent). Units will range from 458 to 529 square feet for the studio units, 650 to 739 square feet for the one-bedroom units, 938 to 1,185 square feet for the two-bedroom

units, 961 to 1,237 square feet for the three-bedroom units, and 1,325 to 1,520 square feet for the four-bedroom units. All units will contain full kitchens, bedrooms, bathrooms, in-unit washer and dryers, and living/dining areas.

Architecture and Amenities

Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana. The design's primary objective is to complement and expand the energy and character of downtown by taking cues from its urban scale and historic character. The ground floor of Building A is designed in the Main Street Commercial architectural style, consistent with identifiable patterns typical of downtown buildings. Building B's purely residential design complements the existing multi-family developments along Fourth Street. A landscape buffer is provided for each site creating a transitional space between the top of the structure and the street level while also providing screening at the lower level of the garages adjacent to the single-family residences. In addition, the building's architecture is designed to lessen the massing of the project with its elevations featuring articulation, multiple volumes, and varied architectural styles to mimic the appearance of multiple buildings. The building's varied height from five-stories to seven-stories generates a smooth transition from the higher-density character of the intersection of Fourth and French street to the lower-density character of the single-family residences to the north and to the east.

Each site has its own unique architectural vernacular defined by scale, facade articulation, roof forms, materials, and detailing. A variety of window dimensions are provided where appropriate while the header/sill trim details vary between both sites. Varied material/color palettes are featured on both buildings, in addition to varied window recesses and decorative elements. While color palette is varied across both sites, care has been taken to provide a unified look to correspond to the surrounding buildings. Both structures feature durable brick veneer, glass, smooth stucco finishes, metal awnings, and textured blocks/panels. Lastly, the building will feature prominent artwork/murals across both sites. To ensure that the art is reflective of Santa Ana and is a positive cultural impact on the surrounding neighborhood, staff included a condition of approval that requires the applicant to coordinate with the City's Art and Culture Office and submit a Public Art Plan to the Planning Division for review and approval.

The development will feature amenities commonly found at other upscale mixed-use developments in the region. These include a large courtyard with a pool, spa, clubroom, fitness room, and landscaping in the center of Site A; a roof terrace on the seventh floor of Site A, overlooking Fourth and French streets; a leasing office and lounge in Site A; a bike locker in Site A; and a ground-floor lobby and resident amenity area in Site B. In addition, the project features private open space/decks for 59 units on Site A and 48 units on Site B. Conditions of approval have been added to ensure the two-block project will be built and managed as a single community and all amenities will be accessible to residents from either site.

Project and Site Background

The Transit Zoning Code (TZC) was adopted in July 2010 and provides a framework for mixed-use, residential, commercial, and limited industrial activities in a large section of central Santa Ana loosely bound by Flower Street, the Santa Ana (I-5) Freeway, Civic Center Drive, Grand Avenue, and First Street. The plan area contains six subzones that allow various types and ranges of intensity, as well as two industrial overlay districts where industrial uses in place at the time of the code's adoption are allowed to continue. The Downtown subzone in which the project is proposed (Site A) and the Urban Center (proposed subzone for Site B) allow a variety of mixed-use developments that are intended to contribute to creating a dynamic, transit-oriented area for residents, business owners, and visitors, and to lessen the need for automobile dependence. Amendments to the TZC in July 2019 modernized certain sections of the code and furthered the goals and vision of the plan area.

Site A (409 East Fourth Street) is currently improved with a single-story commercial building approximately 14,000 square feet in size, operating as a grocery store (Northgate Gonzalez Market). The store was constructed between 1995 and 1996. In 1906, Site A was occupied by uses such as single-family dwellings, a religious institution, and a telegraph office. Between 1949 and 1963, the site was occupied by uses such as agricultural and auto storage, manufacturing (e.g., mattress production and neon signs), motorcycle repairs, and upholstery and printing.

Site B (509-515 East Fourth Street) is improved with a vacant single-story, commercial building built in 1921 and approximately 11,000 square feet in size, spanning two parcels and which last operated as Munoz Auto Repair & Tire Service. By 1949, many of the single-family dwellings had been demolished on the site and replaced with larger industrial and or commercial buildings. Aside from the period between 1932 and 1939 when the site was a partially used as a grain/feed supply, Site B primarily functioned in an auto-related capacity from 1923 to 1972. La Opinión Daily Newspaper/La Opinión Periodical, a Spanish-language newspaper, appears to have been associated with the property for a short period in the early 1980s.

In August 2018, the applicant submitted the proposed mixed-use development, which was one of the first major mixed-use developments proposed in Downtown Santa Ana since the TZC was adopted in 2010. Since submitting the application, the applicant has met with nearby neighborhood associations, business leaders, and other interested parties. A full list of neighborhood outreach efforts and details on the Sunshine Ordinance community meeting is provided in Table 3 of this report.

Analysis of the Issues

Section 41-2005 of the SAMC requires developments proposing over four stories in height to apply for a Site Plan Review (SPR) with the Planning Commission. As the buildings in the proposed development contain five and seven stories, approval of a SPR application is required by the Planning Commission. Furthermore, pursuant to SAMC Section 41-638, the Planning Commission is authorized to review and approve variances from the provisions of the Municipal Code when it appears that findings in compliance with section 41-638 (a)(2) of the SAMC have been established. Since the project requires approval of a variance for an increase in the allowable building size and

massing standards for Site B, review and approval is required by the Planning Commission. Lastly, Section 41-664 of the SAMC requires a public hearing for the proposed amendment application to be reviewed by the Planning Commission and the City Council, with the Planning Commission as a recommending body and the City Council as the approving body. Since the project is seeking approval of an amendment application for a zone change on Site B to change the subzone from UN-2 to the Urban Center (UC), review and approval of an amendment application is required by the Planning Commission and City Council.

Amendment Application

The proposed project includes construction of two new Lined Block buildings, one of which would be a maximum of seven stories in height with a floor area ratio (FAR) of 2.4 (Site A) and one that would be five stories in height with an FAR of 1.8 (Site B). However, the UN-2 subzone does not include Lined Block buildings as a permitted building type. Therefore, the project would require an amendment application for a zone change on Site B from the UN-2 subzone to the Urban Center (UC) subzone. The UC subzone was selected in order to maintain aesthetic consistency with the proposed building on Site A. In addition, under the current UN-2 subzone, residential buildings with densities of up to 50 dwelling units per acre (DU/acre) are permitted. The proposed project on Site B involves development of a residential building with a density of approximately 54 DU/acre, which represents a slightly higher intensity use than the UN-2 subzone allowable density range of no more than 50 DU/acre. However, Site B is surrounded by properties with higher intensity developments that are zoned DT and UC to the west and south.

In addition, a review of the existing TZC map seen in Exhibit 12 demonstrates that it is was the original intent of the TZC to place UC subzones as both a buffer and a transition between the uses permitted in the high density Downtown (DT) subzone and the less intense UN-2 neighborhoods surrounding it. While the adopted TZC allowed for the integration of new infill development into existing neighborhoods, reuse of existing buildings, and creation of new mixed use and transit-oriented development, it intended to transition the subzones with higher allowable densities to those that permitted lower density ranges. With the exception of Site B, all of the adjacent DT subzone parcels are surrounded by UC subzone parcels. The proposed change to the UC designation would be consistent with the existing adjacent parcels that surround the DT subzone.

Although the TZC provides for a mixture of development types situated within walking distance of many modes of transit (e.g., public transit, pedestrian, cyclists and automobiles), it did not contemplate the precise route of the OC Streetcar at the time of its adoption in 2010. An eastbound segment of the streetcar runs along the project site along Fourth Street with a stop immediately adjacent to the project at Fourth and French streets. The streetcar then proceeds northbound one block to Mortimer Street, bisecting the two project sites and advancing to Santa Ana Boulevard towards the Santa Ana Regional Transportation Center. As a gateway project along the streetcar line, the UC subzone facilitates a design that better reflects a sense of downtown and builds upon allowable planning and architectural intensities, affirmatively addressing the pedestrian orientation at all street frontages, specifically along Fourth and Mortimer streets. Furthermore, the zone change

acknowledges the density and building envelope opportunities of the TZC to support the recent investment in the streetcar and maximizing development potential along the proposed routes.

Lastly, the zone change to the UC subzone would provide for a more harmonious design on both sites as they are being developed and managed together as one project. The building types under the UN-2 subzone are limited to lower density and shorter building height developments such as the Hybrid Court, Courtyard Housing, Live-Work, or Tuck-Under building type. Each of the allowable building types under the UN-2 would have resulted in a design on Site B that looked arbitrarily carved down and which presented an incongruous design. The UC subzone allows Site B to be designed in the same building type as Site A while allowing each site to have a unique architectural vernacular that complement the neighborhood and are integrated within the existing development pattern in downtown. Though the proposed project would develop Site B at a slightly higher density use than the existing TZC density range for UN-2, this use would be consistent with adjacent property uses and the intent of the TZC by enhancing the pedestrian environment, creating opportunities for higher-density transit-oriented residential development in proximity to jobs, and reactivating vacant land uses adjacent to the historical Downtown shopping district.

Variance Application

The proposed project is requesting a variance from Santa Ana Municipal Code (SAMC) Section 41-2023(i)(5) for an increase in the allowable building size and massing standards for the lined block building proposed on Site B. The TZC requires that portions of buildings between three and five stories be only 85 percent of the ground floor's volume. As proposed, the third through fifth floor would be 100 percent of the building's ground floor volume, exceeding the allowable ratio by 15 percent on each floor. Therefore, a variance application would be required to facilitate the construction of the building on Site B. Pursuant to SAMC Section 41-638, a variance application can be granted for relief from the development standards of the zoning district. Variances may be granted when it can be shown that there exists a special circumstance related to the property depriving of its uses that are afforded to other properties and that a variance is necessary for the preservation and enjoyment of substantial property rights, will not be detrimental to the public or surrounding property, and will not adversely affect the General Plan. In analyzing the variance request, staff believes that the following analysis warrants staff's recommendation of approval of the variance.

Site B has a smaller than average lot depth and lot width, compared to most lots in the downtown area. Lots in the downtown area range in lot depth and width but are on average 250 feet by 250 feet. While portions of Site B meet the average lot width and depth, a majority of Site B is smaller-than-average. Site A takes advantage of a full city block with complete street frontages along every street while Site B is interrupted by an adjacent parcel not part of the project, and approximately 6,200 square feet in size, or 50 feet by 124 feet. This results in Site B having smaller-than-average street frontages along Mortimer and Fourth streets. Without the increase in the allowable building size and massing standards, the project would need to be redesigned, resulting in several impacts to the feasibility of the site's development. These impacts would include a loss off-street parking spaces by requiring a reduction in size of the parking structure; an incompatible design and unbalanced

composition of massing the project site; and/or a smaller building footprint that would reduce the building's interior floor area and individual unit sizes.

The adjacent automotive repair and commercial space on Site B offers collective massing relief for the site. Although not part of the project, this parcel's relative size means that if redeveloped, it will always be to a lower building and massing scale than the proposed five-story structure on Site B. When viewed collectively, the amount of "stepback" or reduction in floor volume would exceed the required 85% of ground floor requirement and would be roughly comparable to the third floor stepback accomplished by the courtyard on Site A. Further, the Citywide Design Guidelines encourage new buildings to be compatible with surrounding character, including building style, form, size, materials, and roofline. Specifically, Chapter 8 (Downtown Development Guidelines), Section 8.6 encourages the height and scale of new buildings complement existing structures and provide a sense of human scale and proportion. As the two blocks are being developed together they're designed with appropriate congruity and diversity in both style and articulation. Both buildings rise with balanced "U-shaped" courtyard design facing Fourth Street and vary significantly with a two-story height variation. A two-block development where one block looks arbitrarily carved down by a forced stepback would present as an incompatible design and could cause an unbalanced composition of massing along Fourth Street, inconsistent with the architectural vernacular and intentions of the TZC.

Conformance to Transit Zoning Code Development Standards

The project has been designed to conform to the development standards in the Transit Zoning Code, with the exception of the proposed building and massing standards on Site B. Furthermore, with approval of the amendment application for the zone change on Site B, the project would comply with the allowable building types. A full description of conformance to development standards is provided in Exhibit 14 to this staff report.

Onsite Parking

The overall parking proposed for the project is 422 spaces, including 394 residential stalls and 28 commercial visitor stalls. The proposed residential parking provides a ratio of 2.3 parking spaces per residential unit, with commercial parking provided at one space per 400 square feet of commercial area, which meets and exceeds the minimum requirements of the TZC. Both parking garages will provide vehicular gates separating available commercial parking spaces (e.g., guest, commercial, employee, etc.) from the residential parking areas. Vehicular access will be provided from Fifth Street by one right-turn only driveway west of Mortimer Street and one full access driveway east of Mortimer Street. The on-site circulation would provide safe access for vehicle-pedestrian traffic and the driveway would provide sufficient throating such that access to parking spaces is not impacted by internal vehicle queuing/stacking.

California Environmental Quality Act (CEQA)

The proposed development required preparation of studies relating to shade and shadow, air quality and greenhouse gas emissions, cultural resources, traffic, parking, noise and vibration, Phase I environmental site assessment, hydrology, a preliminary water quality management plan, and sewer capacity. In addition, a fiscal impact and economic impact analysis was prepared by RSG, Inc. and The Concord Group. The technical studies evidenced that an EIR Addendum to the previously-certified 2010 EIR is the appropriate CEQA document to evaluate and disclose the project's impacts.

An addendum to a previously certified EIR is prepared when a lead agency is asked to approve modifications to an existing project for which an EIR has already been certified. An addendum evaluates the requested modifications and determines whether subsequent EIR review is required. Since none of the conditions specified in State CEQA Guidelines, section 15162 are present, an Addendum to the previously-certified 2010 EIR was prepared for the 4th and Mortimer Mixed-Use Development project.

Pursuant to State CEQA Guidelines section 15164(b), an addendum to a previously-certified EIR is not circulated for public review. The Addendum is included with this staff report as Exhibit 15. Pursuant to State CEQA Guidelines section 15164(d), the Planning Commission must consider the Addendum together with the 2010 EIR before making a decision on the project.

Previous CEQA Documentation

The 2010 EIR (SCH No. 2006071100) was prepared to evaluate the potential impacts associated with the adoption of the Transit Zoning Code, which was anticipated to result in potential development of approximately 4,075 residential units, 387,000 sf of retail development, and an additional 15.5 acres of open space within the City.

The 2010 EIR considered the environmental impacts relating to aesthetics; air quality; biological resources; cultural resources; hazards and hazardous materials; hydrology and water quality; land use; noise; population, housing, and employment; public services; transportation and traffic; utilities and service systems; and climate change. A mitigation monitoring and reporting program (MMRP), findings of fact, and a statement of overriding consideration were adopted with the 2010 EIR. As part of the 2020 Addendum to the 2010 EIR, the original MMRP must be readopted by the Planning Commission. All mitigation measures in the original EIR and associated MMRP have been enforced and are carried over within the 2020 Addendum, with exception of mitigation measure MM4.4-1(a) as part of the Cultural Resources which was revised after consultation with California Native American Tribes.

Addendum Conclusions

The 4th and Mortimer development project Addendum concludes no new or substantially greater impacts would occur with implementation of the proposed development when compared to those identified in the 2010 EIR. To fully evaluate the proposed project's impacts on the site's existing

structures, technical studies provided by the applicant, including shade and shadow, air quality and greenhouse gas emissions, traffic, parking, hydrology, and sewer capacity, were extensively peer reviewed by the City's CEQA consultant. In addition, additional studies relating to cultural resources, noise and vibration were prepared by the CEQA consultant.

Aesthetics

Consistent with 2010 EIR Mitigation Measure 4.1-4, a shade and shadow analysis was conducted for the proposed project. The proposed project's seven-story building on Block A and a five-story building on Block B would shade adjacent land uses, including structures to the east and southeast in the summer months, and structures to the north, northeast, and northwest in the winter months. For the purposes of analyzing shade/shadow impacts, a significant impact would occur when shadow-sensitive uses (e.g., residential structures, schools, churches, parks, etc.) would be shaded by a project-related structure for more than three hours between the hours of 9:00 A.M. and 3:00 P.M. Pacific Standard Time (PST) (between late October and early April), or for more than four hours between the hours of 9:00 A.M. and 5:00 P.M. PST (between early April and late October).

The Site Shadow Study indicates that none of the shadow sensitive uses surrounding the project sites would be shaded by either building for more than three hours between 9:00 A.M. and 3:00 P.M. during the Winter Solstice. Likewise, shadow sensitive land uses would not be shaded by project structures for more than five hours between 9:00 A.M. and 5:00 P.M. during the summer. Therefore, impacts would be less than significant. As such, the proposed project would not contribute to the significant shadow impacts identified in the 2010 EIR, nor would it result in a new significant impact or substantially increase the severity of a previously identified significant impact with respect to shade and shadow beyond those analyzed in the 2010 EIR.

Cultural Resources

The State CEQA Guidelines for the preparation of an addendum do not specifically require adherence to Assembly Bill 52 (AB 52), which requires meaningful consultation with California Native American Tribes on potential impacts on tribal cultural resources, as defined in Public Resources Code Section 21074. However, considering that the EIR was approved and adopted in 2010 prior to the AB52 being enacted (July 2015) staff felt the need to incorporate tribal review into the environmental review processes. Tribal cultural resources are sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe that are either eligible or listed in the California Register of Historical Resources or local register of historical resources. In order minimize impacts on potential resources on the project site mitigation measure MM4.4-1(a) has been revised to be inclusive of any locally affiliated Tribe identified by the Native American Heritage Commission.

Transportation

A traffic impact analysis (TIA) was prepared and conducted by Linscott, Law & Greenspan, Engineers (LLG) and peer reviewed by the City's CEQA consultant to determine the potential traffic impacts associated with the proposed project. The traffic analysis evaluated the existing operating conditions at six key study intersections within the project vicinity immediately bordering the subject property, estimated the trip generation potential of the proposed project, and forecasted future near-term (Year 2024) and long-term (Year 2045) operating conditions without and with the proposed Project. Two of the six intersections were also evaluated for the approved TZC, including Fourth Street at French Street and Fifth Street at Mortimer Street.

The TIA's Level of Service (LOS) investigations at these key locations were used to evaluate the potential traffic-related impacts associated with area growth, cumulative projects and the proposed project. The TIA indicates that the proposed project would not result in an increase in intersection traffic impacts beyond those analyzed in the 2010 EIR for the approved TZC. Furthermore, TIA indicates that the proposed project would result in a net reduction of 173 daily vehicle trips to the project site compared to existing commercial uses.

Economic Development

A fiscal and economic impact analysis prepared by RSG, Inc. and The Concord Group was submitted for the project. The analysis estimates that the proposed development will result net positive fiscal impacts to the City, the Business Improvement District, and create over 800 new temporary or permanent jobs. Specifically, the analysis estimates the following impacts:

- \$5.4 million net new General Fund revenues associated with the project over a 25-year period, resulting from:
 - A total of \$7.8 million in additional City General Fund revenue, including \$2.9 million in net new property tax revenues, construction period revenues, recurring site-specific tax, and other Project impacts over a 25-year period, and
 - \$2.4 million in General Fund expenditures associated with the project over a 25-year period
- 806 direct, indirect, or induced new jobs resulting from the project, of which 35 would be permanent
- Approximately \$205,424 in Business Improvement District (BID) funds

Table 3: Public Notification & Community Outreach

| Public Notification, and Community Outreach each | |
|---|--|
| Required Measures | A community meeting was held on August 29, 2018 at 6:00 p.m. at 450 West Fourth Street (Latino Health Access) in accordance with the provisions of the City's Sunshine Ordinance. This meeting was publicly noticed in the OC Register, posted on the City's website, and invitation/notices were mailed to property owners and occupants/tenants in a 500-foot radius from the project site. An estimated 100 members of the public attended, as well as City staff. The applicant provided all the required information to the City after the meeting. Details from the community meeting were posted to the project's webpage |

| Public Notification, and Community Outreach each | |
|--|--|
| | at https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and- |
| | Notification by mail was mailed to all property owners, occupants, and other interested parties within 500 feet of the project site on October 2, 2020, in accordance with SAMC requirements. In addition, newspaper posting was published in the Orange County Register on October 2, 2020, in accordance with SAMC requirements. |
| Additional Measures | <p>The applicant met with several interested groups, neighborhoods, and/or individuals between August 2018 and September 2020. Meetings include those with:</p> <ul style="list-style-type: none"> • Neighboring condominium associations and apartment buildings: Spectrum Condominiums (450 E. 4th St.), Garden Court Apartments (300 E. Santa Ana Blvd.) and Parks Apartments (510 Mortimer St.) • Joint Meeting of Neighborhood Associations July 2020: French Park, French Court, Logan, Lacy, Downtown and French Park Plaza • Business organizations and individual leaders associated with the Santa Ana Business Council, Chamber of Commerce, Downtown Inc. • Historic preservation representative Tim Rush • Eight individual property owners as a result of surveying every residence across Fifth Street and Minter Street from development site |

Conclusion

Based on the analysis provided within this report, staff recommends that the Planning Commission adopt a resolution approving an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100), mitigation monitoring and reporting program, Site Plan Review No. 2020-03 as conditioned, and Variance No. 2020-06 as conditioned. In addition, staff recommends that the Planning Commission recommend that the City Council adopt a resolution approving an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) mitigation monitoring and reporting program, and an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).



Pedro Gomez, AICP
 Associate Planner

PG:sb

S:\Planning Commission\2020\10-12-20\4th and Mortimer - Addendum, SPR, VAR, and AA\ SPR-2020-03, VAR-2020-06, AA-2020-04 - 4th and Mortimer_10.12.20pc

Exhibits:

1. Planning Commission Resolution (EIR Addendum, Site Plan Review, and Variance)
2. City Council Resolution (EIR Addendum)
3. City Council Ordinance (Amendment Application)
4. Vicinity Zoning and Aerial Map

5. Site Photos
6. Site Plan
7. Unit Floor Plans
8. Building Elevations
9. Building Perspectives
10. Building Materials
11. Conceptual Landscape Plans
12. Existing TZC Zoning Map
13. Proposed TZC Zoning Map
14. Conformance to Development and Parking Standards
15. 2020 EIR Addendum and Technical Appendices
16. 2010 Transit Zoning Code EIR
17. Fiscal and Economic Impact Analysis

EXHIBIT 1
75C-349

RESOLUTION NO. 2020-xx

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SANTA ANA APPROVING AND ADOPTING AN ADDENDUM TO THE ENVIRONMENTAL IMPACT REPORT FOR THE TRANSIT ZONING CODE PROJECT (SCH NO. 2006071100) FOR SITE PLAN REVIEW NO. 2020-03 AND VARIANCE NO. 2020-06 AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE 4TH AND MORTIMER MIXED-USE DEVELOPMENT PROJECT LOCATED AT 409 AND 509 EAST FOURTH STREET

WHEREAS, Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), is requesting approval of Site Plan Review No. 2020-03 and Variance No. 2020-06, as conditioned, to allow the construction of a new mixed-use residential and commercial development consisting of 169 residential rental units and 11,361 square feet of commercial space at 409 and 509 East Fourth Street; and

WHEREAS, the subject property contains 2.715 acres at two separate but adjacent sites at 409 and 509 East Fourth Street, currently developed with a commercial building (Northgate Gonzalez Market), surface parking lot, and vacant buildings and parcels; and

WHEREAS, the Transit Zoning Code was adopted in 2010 as a result of interest in developing transit-oriented mixed-use residential and commercial projects in its project area. The Transit Zoning Code was amended in 2019 to modernize and refine development standards to further these interests. The regulating plan, which establishes land uses and development standards, allows a variety of housing and commercial projects, including mixed-use residential communities, live/work units, hotels, and offices; and

WHEREAS, the City Council of the City of Santa Ana certified the Environmental Impact Report (SCH No. 2006071100) and adopted a mitigation monitoring and reporting program for the Transit Zoning Code, which allows a mixture of residential, commercial, and limited industrial land uses; and

WHEREAS, the entitlements sought for the proposed mixed-use development project include a Site Plan Review application, Variance application, and an Amendment Application; and

WHEREAS, in 2010, the City Council certified the Final Environmental Impact Report ("2010 EIR") for the Transit Zoning Code Project ("Originally Approved Plan"),

which analyzed the potentially significant environmental impacts of a mixed-use plan area consisting of new residential, commercial, and industrial development; and

WHEREAS, pursuant to the 2010 EIR, the subject site may be developed with a mixed-use development consisting of residential and commercial land uses; and

WHEREAS, when compared against the Originally Approved Plan, the proposed mixed-use development will not result in any new or intensified significant impacts; and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (14 Cal. Code Regs. 15000 et seq.), the City is the Lead Agency for the proposed development; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has already been certified, the Lead Agency is prohibited from requiring a subsequent or supplemental EIR unless at least one of the circumstances identified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 are present; and

WHEREAS, City staff has evaluated the proposed project and considered whether, in light of the impacts associated with its development, any supplemental or subsequent environmental review is required pursuant to Public Resources Code section 21166 or State CEQA Guidelines section 15162; and

WHEREAS, the analysis contained in the 4th and Mortimer Mixed-Use Development project’s EIR Addendum (“2020 Addendum”) concludes that none of the circumstances described in Public Resources Code section 21166 or State CEQA Guidelines section 15162 have occurred, and thus no supplemental or subsequent EIR is required; and

WHEREAS, the proposed Project is within a transit priority area (TPA) as defined by Public Resources Code (PRC) Section 21099(a)(7). A TPA is an area within one-half mile of a major transit stop that is existing (or planned under certain conditions). A major transit stop includes the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods (PRC § 21064.3). The Project site is within 0.5 miles of the intersection of Bus Routes 53, 55, 64, 83, 206 and 462 with transit stops located throughout Main Street, Civic Center Drive, Fifth Street, Santa Ana Boulevard and First Street. Furthermore, the Santa Ana Metrolink Station and Santa Ana Regional Transportation Center is located less than 0.5 miles to the east at Santa Ana Boulevard and Santiago Street. The transit frequency at the stops along Main Street and First Street is every 15-minutes during the morning and afternoon peak commute periods and therefore qualifies as a high-quality transit corridor. Lastly, the project is located within a 0.5 miles of a high-quality transit corridor (routes along Main Street and First Street), plus the future OC Streetcar, which would further enhance mobility throughout Downtown Santa Ana, beyond the current

transit opportunities that are now availability. Therefore, under SB 743, aesthetic and parking impacts cannot be considered a significant impact within TPA's; and

WHEREAS, on October 12, 2020 at a duly noticed public hearing, the Planning Commission considered the 2020 EIR Addendum for Site Plan Review No. 2020-03 and Variance No. 2020-06; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SANTA ANA DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated herein by reference.

SECTION 2. State CEQA Guidelines section 15164 requires lead agencies to prepare an addendum to a previously certified EIR if some changes or additions to the project are necessary, but none of the conditions requiring preparation of a subsequent EIR are present. The Planning Commission has reviewed and considered the 2010 EIR and the 2020 Addendum, and finds that these documents taken together contain a complete and accurate reporting of all of the potential environmental impacts associated with the proposed development. The Planning Commission further finds that the 2020 Addendum has been completed in compliance with CEQA and the State CEQA Guidelines. The Planning Commission further finds and determines that the EIR Addendum reflects the City's independent judgment.

SECTION 3. Based on the substantial evidence set forth in the record, including but not limited to the 2010 EIR and the 2020 Addendum, the Planning Commission finds that an addendum is the appropriate document for disclosing the changes to the subject property, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- (a) The proposed development does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- (b) There is not a substantial change with respect to the circumstances under which the proposed development will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.
- (c) New information of substantial importance has not been presented that was not known and could not have been known with the exercise of

Resolution No. 2020-xx

reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

SECTION 4. The Planning Commission hereby finds that mitigation measures identified in the 2010 EIR remain applicable to the Transit Zoning Code, with exception of mitigation measure MM4.4-1(a) as part of the Cultural Resources which has been revised after consultation with California Native American Tribes. These findings are described more specifically in the Mitigation Monitoring and Reporting Program (“MMRP”) attached hereto as **Exhibit A**. The Planning Commission therefore hereby adopts those mitigation measures identified as remaining applicable to the Transit Zoning Code, through the MMRP attached hereto and incorporated herein as **Exhibit A**.

SECTION 5. The Planning Commission hereby approves and adopts the 2020 4th and Mortimer Mixed-Use Development EIR Addendum related to Site Plan Review No. 2020-03 and Variance No. 2020-06, attached hereto and incorporated herein as **Exhibit B**.

SECTION 6. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively “Actions”), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City’s defense, and that Applicant shall

Resolution No. 2020-xx

Page 4 of 8

reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

SECTION 7. The Planning Commission directs staff to prepare, execute and file a CEQA Notice of Determination with the Orange County Clerk's Office within five working days of the Planning Commission's approval of Site Plan Review No. 2020-03 and Variance No. 2020-06 for the 4th and Mortimer Mixed-Use Development Project.

SECTION 8. The 2010 EIR and the 2020 EIR Addendum, and any other documents and materials that constitute the record of proceedings upon which these findings have been based are on file, are incorporated herein by reference and are available for public review at Santa Ana City Hall, Planning and Building Agency, M20, 20 Civic Center Plaza, Santa Ana, California 92701. The custodian of these records is Daisy Gomez, City Clerk for the City.

SECTION 9. This resolution shall take effect immediately upon its adoption by the Planning Commission, and the Recording Secretary shall attest to and certify the vote adopting this resolution.

ADOPTED this 12th day of October, 2020 by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTENTIONS: Commissioners:

Mark McLoughlin
Chairperson

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
Lisa E. Storck
Assistant City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, SARAH BERNAL Recording Secretary, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the Planning Commission of the City of Santa Ana on October 12, 2020.

Date: _____

Recording Secretary
City of Santa Ana

EXHIBIT A
MITIGATION MONITORING AND REPORTING PROGRAM

The Mitigation Monitoring and Reporting Program (MMRP) is available online at:
<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:
Planning and Building Agency – Planning Division Public Counter
20 Civic Center Plaza
Santa Ana, CA 92701

EXHIBIT B
4TH AND MORTIMER EIR ADDENDUM

The 4th and Mortimer Mixed-Use Development Project EIR Addendum and
Technical Appendices are available online at:

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

RESOLUTION NO. 2020-xx

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SANTA ANA APPROVING SITE PLAN REVIEW NO. 2020-03 AS CONDITIONED FOR A NEW MIXED-USE RESIDENTIAL AND COMMERCIAL DEVELOPMENT FOR THE PROPERTIES LOCATED AT 409 EAST FOURTH STREET (SITE A) AND 509 EAST FOURTH STREET (SITE B)

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The Planning Commission of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), is seeking approval of various entitlements including Site Plan Review No. 2020-03, Variance No. 2020-06, and Amendment Application 2020-04 to allow the construction of a new mixed-use residential and commercial development consisting of 169 residential rental units and 11,361 square feet of commercial space at 409 and 509 East Fourth Street; and
- B. The ~~a~~Applicant has requested approval of Site Plan Review No. 2020-03 as conditioned, to allow the construction of structures over four stories in height as part of the new mixed-use residential and commercial development at 409 and 509 East Fourth Street; and
- C. The Transit Zoning Code was adopted in 2010 as a result of interest in developing mixed-use residential and commercial projects in its project area. The Transit Zoning Code was amended in 2019 to modernize and refine development standards to further these interests. The regulating plan, which establishes land uses and development standards, allows a variety of housing and commercial projects, including mixed-use residential communities, live/work units, hotels, and offices.
- D. On October 12, 2020, the Planning Commission of the City of Santa Ana held a duly noticed public hearing regarding Site Plan Review No. 2020-03 and at that time considered all testimony, written and oral.
- E. Sections 41-2007 and 41-593.5 of the Santa Ana Municipal Code (SAMC) requires a review by the Planning Commission of all plans for developments of over four stories within the Transit Zoning Code (Specific Development No. 84) to ensure the project is in conformity with the overlay zone plan.

- F. The zoning designation for the subject property is Specific Development No. 84, Downtown and Urban Neighborhood-2 sub-zone.
- G. The Planning Commission determines that pursuant to SAMC Sections 41-2007 and 41-593.5, the project is in compliance with all applicable development standards outlined within the Specific Development (SD No. 84/Transit Zoning Code), with the exception of required building size, type, and massing, which are being considered separately as and subject to approval of Variance No. 2020-06 and Amendment Application No. 2020-04.

Section 2. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

Section 3. In accordance with the California Environmental Quality Act (CEQA), the Planning Commission of the City of Santa Ana hereby finds, determines, and declares as follows:

Based on the substantial evidence set forth in the record, including but not limited to the 2010 EIR and the 2020 EIR Addendum, the Planning Commission finds that an addendum is the appropriate document for disclosing the changes to the subject properties, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- A. The project does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- B. There is not a substantial change with respect to the circumstances under which the project will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.
- C. New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

Section 4. The Planning Commission of the City of Santa Ana, after conducting the public hearing, hereby approves Site Plan Review No. 2020-03 as conditioned in Exhibit A, attached hereto and incorporated as though fully set forth herein. This decision is based upon the evidence submitted at the above said hearing, which includes, but is not limited to: the Request for Planning Commission Action dated October 12, 2020, and exhibits attached thereto; and the public testimony, written and oral, all of which are incorporated herein by this reference.

Section 5. Site Plan Review No. 2020-03 shall not be effective unless and until the Planning Commission reviews and approves the EIR Addendum, Environmental Review No. 2018-113, and Variance No. 2020-06 and the City Council reviews and approves the EIR Addendum, Environmental Review No. 2018-113, and Amendment Application No. 2020-04 for the subject project. If said approvals are held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, or otherwise denied, then this variance shall be null and void and have no further force and effect.

ADOPTED this 12th day of October, 2020 by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTENTIONS: Commissioners:

Mark McLoughlin
Chairperson

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
Lisa E. Storck
Assistant City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, SARAH BERNAL Recording Secretary, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the Planning Commission of the City of Santa Ana on October 12, 2020.

Date: _____

Recording Secretary
City of Santa Ana

EXHIBIT A
Conditions for Approval for Site Plan Review No. 2020-03

Site Plan Review No. 2020-03 is approved subject to compliance, to the reasonable satisfaction of the Planning Manager, with applicable sections of the Santa Ana Municipal Code, the California Administrative Code, the California Building Standards Code, and all other applicable regulations. In addition, it shall meet the following conditions of approval:

The Applicant must comply with each and every condition listed below prior to exercising the rights conferred by this site plan review.

The Applicant must remain in compliance with all conditions listed below throughout the life of the development project. Failure to comply with each and every condition may result in the revocation of the site plan review.

1. All proposed site improvements must conform to the Site Plan Review (DP No. 2018-28) and the staff report exhibits incorporated herein by reference.
2. Any amendment to this site plan review, including modifications to approved materials, finishes, architecture, site plan, landscaping, unit count, mix, and square footages must be submitted to the Planning Division for review. At that time, staff will determine if administrative relief is available or if the site plan review must be amended.
3. A final detailed amenity plan must be reviewed and approved prior to issuance of any building permits. The plan shall include details on the hardscape design, lighting concepts and outdoor furniture for amenity, plaza, or courtyard areas as well as an installation plan. The exact specifications for these items are subject to the review and approval by the Planning Division.
4. Prior to issuance of building permits, the Applicant shall submit a construction schedule and staging plan to the Planning Division for review and approval. The plan shall include construction hours, staging areas, parking and site security/screening during project construction.
5. Prior to the issuance of a building permit, a full landscape and irrigation plan is to be submitted for review and approval. The landscape plan shall: (1) conform to the commercial landscape standards, Citywide Design Guidelines, and the City's Water Efficient Landscape Ordinance, and (2) contain regularly-spaced vines installed along the entire lengths of the new perimeter wall and the trash enclosure so as to form a natural graffiti deterrent.
6. Prior to the issuance of a building permit, a Public Art Plan must be submitted to the Planning Division for review and approval. The ~~a~~Applicant shall work with the City's Arts & Culture Office to identify local artist, and receive recommendations on establishing a process for selecting and displaying such local artwork.

7. Prior to installation of landscaping, the Applicant shall submit photos and specifications of all trees to be installed on the project site for review and approval by the Planning Division. Specifications shall include, at a minimum, the species, box size (24 inches minimum), brown trunk height (10-foot minimum), and name and location of the supplier.
8. A Resident Storage Plan shall be provided for the project prior to issuance of certificate of occupancy. Storage shall be available at no cost to the residents.
9. After project occupancy, landscaping and hardscape materials must be maintained as shown on the approved landscape plans.
10. All mechanical equipment shall be screened from view from public and courtyard areas.
11. The Applicant shall be responsible for maintaining the premises free of graffiti. All graffiti shall be removed within 24 hours of occurrence.
12. A residential property manager shall be on site at all times that the project is occupied and the developer and on-site management shall at all times maintain a 24-hour emergency contact and contact information on file with the City.
13. Residents of both development sites in the Project (Site A and Site B) shall have access to resident amenities, onsite parking, and open space areas in both sites in perpetuity.
14. No more than one individual lease shall be permitted per unit. Leasing of individual bedrooms shall not be permitted.
15. A Property Maintenance Agreement must be recorded against the property. The agreement will be subject to review and applicability by the Planning and Building Agency, the Community Development Agency, the Public Works Agency, and the City Attorney to ensure that the property and all improvements located thereupon are properly maintained, Developer (and the owner of the property upon which the authorized use and/or authorized improvements are located if different from the Applicant) shall execute a maintenance agreement with the City of Santa Ana which shall be recorded against the property and which shall be in a form reasonably satisfactory to the City Attorney. The maintenance agreement shall contain covenants, conditions and restrictions relating to the following:
 - (a) Compliance with operational conditions applicable during any period(s) of construction or major repair (e.g., proper screening and securing of the construction site; implementation of proper erosion control, dust control and noise mitigation measure; adherence to approved project phasing etc.);

(b) Compliance with ongoing operational conditions, requirements and restrictions, as applicable (including but not limited to hours of operation, security requirements, the proper storage and disposal of trash and debris, enforcement of the parking management plan, and/or restrictions on certain uses,

(c) Ongoing compliance with approved design and construction parameters, signage parameters and restrictions as well as landscape designs, as applicable;

(d) Ongoing maintenance, repair and upkeep of the property and all improvements located thereupon (including but not limited to controls on the proliferation of trash and debris about the property; the proper and timely removal of graffiti; the timely maintenance, repair and upkeep of damaged, vandalized and/or weathered buildings, structures and/or improvements; the timely maintenance, repair and upkeep of exterior paint, parking striping, lighting and irrigation fixtures, walls and fencing, publicly accessible bathrooms and bathroom fixtures, landscaping and related landscape improvements and the like, as applicable);

(e) If Developer and the owner of the property are different (e.g., if the Applicant is a tenant or licensee of the property or any portion thereof), both the Applicant and the owner of the property shall be signatories to the maintenance agreement and both shall be jointly and severally liable for compliance with its terms.

(f) The maintenance agreement shall further provide that any party responsible for complying with its terms shall not assign its ownership interest in the property or any interest in any lease, sublease, license or sublicense, unless the prospective assignee agrees in writing to assume all of the duties, obligations and responsibilities set forth under the maintenance agreement.

(g) The maintenance agreement shall contain provisions relating to the enforcement of its conditions by the City and shall also contain provisions authorizing the City to recover costs and expenses which the City may incur arising out of any enforcement and/or remediation efforts which the City may undertake in order to cure any deficiency in maintenance, repair or upkeep or to enforce any restrictions or conditions upon the use of the property. The maintenance agreement shall further provide that any unreimbursed costs and/or expenses incurred by the City to cure a deficiency in maintenance or to enforce use restrictions shall become a lien upon the property in an amount equivalent to the actual costs and/or expense incurred by the City.

(h) The execution and recordation of the maintenance agreement shall be a condition precedent to the issuance of final approval for any construction permit related to this entitlement.

RESOLUTION NO. 2020-xx

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SANTA ANA APPROVING VARIANCE NO. 2020-06 AS CONDITIONED TO ALLOW AN INCREASE IN THE ALLOWABLE BUILDING SIZE AND MASSING ON SITE B AS PART OF A NEW MIXED-USE RESIDENTIAL AND COMMERCIAL DEVELOPMENT FOR THE PROPERTIES LOCATED AT 409 EAST FOURTH STREET (SITE A) AND 509 EAST FOURTH STREET (SITE B)

BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF SANTA ANA AS FOLLOWS:

Section 1. The Planning Commission of the City of Santa Ana hereby finds, determines and declares as follows:

- A. Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), is seeking approval of various entitlements including Site Plan Review No. 2020-03, Variance No. 2020-06, and Amendment Application No. 2020-04 to allow the construction of a new mixed-use residential and commercial development consisting of 169 residential rental units and 11,361 square feet of commercial space at 409 and 509 East Fourth Street; and
- B. The Applicant has requested approval of Variance No. 2020-06 as conditioned, to exceed the allowable building size and massing standards on Site B as part of the new mixed-use residential and commercial development at 409 and 509 East Fourth Street; and
- C. Santa Ana Municipal Code (SAMC) Section 41-2023(i)(5) of the Transit Zoning Code requires that the maximum ratio of each lined block story, between three and five stories, be 85 percent of the project's ground floor's volume.
- D. The Applicant is proposing an increase in the allowable maximum ratio for the building on 509 East Fourth Street (Site B) for the third through fifth floor, where each floor would be 100 percent of the building's ground floor volume, exceeding the allowable ratio by 15 percent of the ground and second floor volumes on each of floors three through five.
- E. Pursuant to SAMC Section 41-638, the Planning Commission is authorized to review and approve the variance for this project as set forth by the Santa Ana Municipal Code.

- F. On October 12, 2020, the Planning Commission of the City of Santa Ana held a duly noticed public hearing regarding Variance No. 2020-06 and at that time considered all testimony, written and oral.
- G. The Planning Commission of the City of Santa Ana has considered the information and determines that following findings, which must be established in order to grant Variance No. 2020-06, have been established as required by SAMC Section 41-638:
 - 1. That because of special circumstances applicable to the subject property, including size, shape, topography, location or surroundings, the strict application of the zoning ordinance is found to deprive the subject property of privileges not otherwise at variance with the intent and purpose of the provisions of this Chapter.

The project site has a special circumstance related to its existing shape and location. Site B has a smaller than average lot depth and lot width, compared to most lots in the downtown area. Lots in the downtown area average 250 feet by 250 feet. While portions of Site B meet the average lot width and depth, a majority of Site B is smaller-than-average. Site A takes advantage of a full city block with complete street frontages along every street while Site B is interrupted by an adjacent parcel not part of the project, and approximately 6,200 square feet in size, or 50 feet by 124 feet. This results in Site B having smaller-than-average street frontages along Mortimer and Fourth Streets. Without the increase in the allowable building size and massing standards, the project would need to be redesigned, resulting in several impacts to the feasibility of the site's development. These impacts would include a loss off-street parking spaces by requiring a reduction in size of the parking structure; an incompatible design and unbalanced composition of massing the project site; and/or a smaller building footprint that would reduce the building's interior floor area and individual unit sizes.

- 2. That the granting of a variance is necessary for the preservation and enjoyment of one (1) or more substantial property rights.

Granting this variance is necessary for the preservation and enjoyment of substantial property rights. An increase in the allowable maximum ratio would allow for a design that takes into account Downtown Santa Ana's smaller-than-average lot depths as well as the interruption of the adjacent parcel, account for engineering and design challenges of buildings

when step-backs are required on upper levels. Moreover, an increase in the allowable maximum ratio would avoid a two-block development where one block looks arbitrarily carved down by a forced setback and avoid an incompatible design that could cause an unbalanced composition of massing along Fourth Street, inconsistent with the architectural vernacular and intentions of the Transit Zoning Code.

3. That the granting of a variance will not be materially detrimental to the public welfare or injurious to surrounding property.

The granting of the variance will not be detrimental to the public or surrounding properties. A shade and shadow analysis was conducted for the proposed project. The Site Shadow Study indicates that none of the sensitive uses surrounding the project sites would be shaded by either building for more than three hours between 9:00 A.M. and 3:00 P.M. during the Winter Solstice. Likewise, sensitive land uses would not be shaded by project structures for more than five hours between 9:00 A.M. and 5:00 P.M. during the summer. As such, the proposed project would not result in a new significant impact or substantially increase the severity of a previously identified significant impact with respect to shade and shadow beyond those analyzed in the 2010 EIR.

Moreover, the adjacent automotive repair and commercial space on Site B offers collective massing relief for the site. Although not part of the project, this parcel's size means that if redeveloped, it will always be to a lower building and massing scale than the proposed five-story structure on Site B. When viewed collectively, the amount of "stepback" or reduction in floor volume would exceed the required 85% of ground floor requirement and would be roughly comparable to the third floor setback accomplished by the courtyard on Site A. Further, the Citywide Design Guidelines encourage new buildings to be compatible with surrounding character, including building style, form, size, materials, and roofline. Specifically, Chapter 8 (Downtown Development Guidelines), Section 8.6 encourages that the height and scale of new buildings complement existing structures and provide a sense of human scale and proportion. As the two blocks are being developed together they're designed with appropriate congruity and diversity in both style and articulation. Both buildings rise with balanced "U-shaped" courtyard design facing Fourth Street and vary significantly with a two-story height variation. A two-block development

where one block looks arbitrarily carved down by a forced stepback would present as an incompatible design and could cause an unbalanced composition of massing along Fourth Street, inconsistent with the architectural vernacular and intentions of the Transit Zoning Code.

4. That the granting of a variance will not adversely affect the General Plan of the city.

The variance for increase in the allowable maximum ratio will not adversely affect the General Plan. The project site has a General Plan designation of District Center on Site A and Urban Neighborhood on Site B. The District Center-Downtown District and Urban Neighborhood land use designation accommodates high-rise office, commercial, and mixed-use residential uses with an emphasis on streets that accommodate all modes of transportation for this land use designation. The allowable floor area ratio (FAR) for District Center and Urban Neighborhood land use designation would be a maximum of 3.0 and 1.80, respectively. The proposed project would include construction of two new buildings, one of which would be seven stories in height with an FAR of 2.4 (Building A) and one that would be five stories in height with an FAR of 1.8 (Building B), consistent with the allowable FAR as part of the General Plan. Furthermore, the project is consistent with several goals and policies of the General Plan, including the Economic Development Element, Land Use Element, and Urban Design Element. Land Use Element Goal 1 promotes a balance of land uses to address basic community needs. Policy 1.1 promotes medium density housing in and around the downtown area and Policy 1.2 supports high-density residential development within the City's District Centers as a part of a mixed-use development. The project will involve construction of a mixed-use residential and commercial building on Site A with a density of 69.6 du/ac, and a multi-family residential building on Site B with a density of 54.2 du/ac, on two adjacent city blocks in downtown, within the Transit Zoning Code area. Land Use Element Goal 2 promotes land uses that enhance the City's economic and fiscal viability. Policy 2.7 support projects that contribute to the redevelopment and revitalization of the central City urban areas. The development proposes to redevelop two City blocks currently occupied by a commercial building, surface parking lot, and vacant and unimproved buildings and parcels. Policy 2.10 supports new development, which is harmonious in scale and character

with existing development in the area. Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana.

Economic Development Element Goal 2 maintains and enhances the diversity of the City's economic base. Policy 2.3 encourages the development of mutually beneficial and supportive business clusters within the community. The construction of this project will contribute toward an economically balanced community by providing housing and commercial retail opportunities (e.g., restaurant, retail sales, etc.) for different demographics in an area rich with employment opportunities, commercial development, and market-rate housing. In addition, a fiscal and economic impact analysis estimates that the proposed development will result net positive fiscal impacts to the City, the Business Improvement District, and over 800 new temporary or permanent jobs. Specifically, the analysis estimates \$5.4 million net new General Fund revenues associated with the project over a 25-year period.

Urban Design Element Goal 1 improves the physical appearance of the City through development of districts that project a sense of place, positive community image and quality environment. Specifically, Policy 1.5 enhances architectural forms, textures, colors, and materials for all projects. The project's storefront widths, window heights, setbacks, and other architectural features have been carefully evaluated to ensure a seamless transition from existing buildings to the new project. Each site has its own unique architectural vernacular defined by scale, facade articulation, roof forms, materials, and detailing. Both of these blocks are designed in closely related and established California Contemporary architectural style, which complements the neighborhood in which the project site is located.

Section 2. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, referendum, and other proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to

modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

Section 3. In accordance with the California Environmental Quality Act (CEQA), the Planning Commission of the City of Santa Ana hereby finds, determines, and declares as follows:

Based on the substantial evidence set forth in the record, including but not limited to the 2010 EIR and the 2020 4th and Mortimer Mixed-Use Development EIR Addendum, the Planning Commission finds that an addendum is the appropriate document for disclosing the changes to the subject properties, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- A. The project does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- B. There is not a substantial change with respect to the circumstances under which the project will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.
- C. New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be

feasible would in fact be feasible and would substantially reduce one or more significant effects, but the applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

Section 4. The Planning Commission of the City of Santa Ana, after conducting the public hearing, hereby approves Variance No. 2020-06 as conditioned in “Exhibit A” attached hereto and incorporated as though fully set forth herein. This decision is based upon the evidence submitted at the above said hearing, which includes, but is not limited to: the Request for Planning Commission Action dated October 12, 2020, and exhibits attached thereto; and the public testimony, written and oral, all of which are incorporated herein by this reference.

Section 5. Variance No. 2020-06 shall not be effective unless and until the Planning Commission reviews and approved the EIR Addendum, Environmental Review No. 2018-113, and Site Plan Review No. 2020-03 and the City Council reviews and approves the EIR Addendum, Environmental Review No. 2018-113, and Amendment Application No. 2020-04 for the subject project. If said approvals are held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, or otherwise denied, then this variance shall be null and void and have no further force and effect.

ADOPTED this 12th day of October, 2020 by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTENTIONS: Commissioners:

Mark McLoughlin
Chairperson

APPROVED AS TO FORM:
Sonia R. Carvalho, City Attorney

By: _____
Lisa E. Storck

Resolution No. 2020-xx

75C-371

Assistant City Attorney

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, SARAH BERNAL Recording Secretary, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the Planning Commission of the City of Santa Ana on October 12, 2020.

Date: _____

Recording Secretary
City of Santa Ana

Resolution No. 2020-xx

75C-372

EXHIBIT A

Conditions for Approval for Variance No. 2020-06

Variance No. 2020-06 is approved subject to compliance, to the reasonable satisfaction of the Planning Manager, with applicable sections of the Santa Ana Municipal Code, the California Administrative Code, the California Building Standards Code, and all other applicable regulations. In addition, they shall meet the following conditions of approval:

The Applicant must comply with each and every condition listed below prior to exercising the rights conferred by this variance.

The Applicant must remain in compliance with all conditions listed below throughout the life of the development project. Failure to comply with each and every condition may result in the revocation of the site plan review.

1. All proposed site improvements must conform to the Site Plan Review (DP No. 2018-28) and the staff report exhibits incorporated herein by reference.
2. Any amendment to this site plan review, including modifications to approved materials, finishes, architecture, site plan, landscaping, unit count, mix, and square footages must be submitted to the Planning Division for review. At that time, staff will determine if administrative relief is available or if the site plan review must be amended.
3. A final detailed amenity plan must be reviewed and approved prior to issuance of any building permits. The plan shall include details on the hardscape design, lighting concepts and outdoor furniture for amenity, plaza, or courtyard areas as well as an installation plan. The exact specifications for these items are subject to the review and approval by the Planning Division.
4. Prior to issuance of building permits, the Applicant shall submit a construction schedule and staging plan to the Planning Division for review and approval. The plan shall include construction hours, staging areas, parking and site security/screening during project construction.
5. Prior to the issuance of a building permit, a full landscape and irrigation plan is to be submitted for review and approval. The landscape plan shall: (1) conform to the commercial landscape standards, Citywide Design Guidelines, and the City's Water Efficient Landscape Ordinance, and (2) contain regularly-spaced vines installed along the entire lengths of the new perimeter wall and the trash enclosure so as to form a natural graffiti deterrent.
6. Prior to the issuance of a building permit, a Public Art Plan must be submitted to the Planning Division for review and approval. The applicant shall work with the City's Arts & Culture Office to identify local artists, and receive recommendations on establishing a process for selecting and displaying such local artwork.

7. Prior to installation of landscaping, the Applicant shall submit photos and specifications of all trees to be installed on the project site for review and approval by the Planning Division. Specifications shall include, at a minimum, the species, box size (24 inches minimum), brown trunk height (10-foot minimum), and name and location of the supplier.
8. A Resident Storage Plan shall be provided for the project prior to issuance of certificate of occupancy. Storage shall be available at no cost to the residents.
9. After project occupancy, landscaping and hardscape materials must be maintained as shown on the approved landscape plans.
10. All mechanical equipment shall be screened from view from public and courtyard areas.
11. The Applicant shall be responsible for maintaining the premises free of graffiti. All graffiti shall be removed within 24 hours of occurrence.
12. A residential property manager shall be on site at all times that the project is occupied and the developer and on-site management shall at all times maintain a 24-hour emergency contact and contact information on file with the City.
13. Residents of both development sites in the Project (Site A and Site B) shall have access to resident amenities, onsite parking, and open space areas in both sites in perpetuity.
14. No more than one individual lease shall be permitted per unit. Leasing of individual bedrooms shall not be permitted.
15. A Property Maintenance Agreement must be recorded against the property. The agreement will be subject to review and applicability by the Planning and Building Agency, the Community Development Agency, the Public Works Agency, and the City Attorney to ensure that the property and all improvements located thereupon are properly maintained, Developer (and the owner of the property upon which the authorized use and/or authorized improvements are located if different from the Applicant) shall execute a maintenance agreement with the City of Santa Ana which shall be recorded against the property and which shall be in a form reasonably satisfactory to the City Attorney. The maintenance agreement shall contain covenants, conditions and restrictions relating to the following:
 - (a) Compliance with operational conditions applicable during any period(s) of construction or major repair (e.g., proper screening and securing of the construction site; implementation of proper erosion control, dust control and noise mitigation measure; adherence to approved project phasing etc.);
 - (b) Compliance with ongoing operational conditions, requirements and restrictions, as applicable (including but not limited to hours of operation, security requirements, the proper storage and disposal of trash and debris, enforcement of the parking management plan, and/or restrictions on certain uses,

(c) Ongoing compliance with approved design and construction parameters, signage parameters and restrictions as well as landscape designs, as applicable;

(d) Ongoing maintenance, repair and upkeep of the property and all improvements located thereupon (including but not limited to controls on the proliferation of trash and debris about the property; the proper and timely removal of graffiti; the timely maintenance, repair and upkeep of damaged, vandalized and/or weathered buildings, structures and/or improvements; the timely maintenance, repair and upkeep of exterior paint, parking striping, lighting and irrigation fixtures, walls and fencing, publicly accessible bathrooms and bathroom fixtures, landscaping and related landscape improvements and the like, as applicable);

(e) If Developer and the owner of the property are different (e.g., if the Applicant is a tenant or licensee of the property or any portion thereof), both the Applicant and the owner of the property shall be signatories to the maintenance agreement and both shall be jointly and severally liable for compliance with its terms.

(f) The maintenance agreement shall further provide that any party responsible for complying with its terms shall not assign its ownership interest in the property or any interest in any lease, sublease, license or sublicense, unless the prospective assignee agrees in writing to assume all of the duties, obligations and responsibilities set forth under the maintenance agreement.

(g) The maintenance agreement shall contain provisions relating to the enforcement of its conditions by the City and shall also contain provisions authorizing the City to recover costs and expenses which the City may incur arising out of any enforcement and/or remediation efforts which the City may undertake in order to cure any deficiency in maintenance, repair or upkeep or to enforce any restrictions or conditions upon the use of the property. The maintenance agreement shall further provide that any unreimbursed costs and/or expenses incurred by the City to cure a deficiency in maintenance or to enforce use restrictions shall become a lien upon the property in an amount equivalent to the actual costs and/or expense incurred by the City.

(h) The execution and recordation of the maintenance agreement shall be a condition precedent to the issuance of final approval for any construction permit related to this entitlement.

EXHIBIT 2
75C-376

RESOLUTION NO. 2020-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA APPROVING AND ADOPTING AN ADDENDUM TO THE ENVIRONMENTAL IMPACT REPORT FOR THE TRANSIT ZONING CODE PROJECT (SCH NO. 2006071100) FOR AMENDMENT APPLICATION NO. 2020-04 AND ADOPTION OF A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE 4TH AND MORTIMER MIXED-USE DEVELOPMENT PROJECT LOCATED AT 409 AND 509 EAST FOURTH STREET

WHEREAS, Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), is requesting approval of Amendment Application No. 2020-04, as conditioned, to allow the construction of a new mixed-use residential and commercial development consisting of 169 residential rental units and 11,361 square feet of commercial space at 409 and 509 East Fourth Street; and

WHEREAS, the subject property contains 2.715 acres at two separate but adjacent sites at 409 and 509 East Fourth Street, currently developed with a commercial building (Northgate Gonzalez Market), surface parking lot, and vacant buildings and parcels; and

WHEREAS, the Transit Zoning Code was adopted in 2010 as a result of interest in developing transit-oriented mixed-use residential and commercial projects in its project area. The Transit Zoning Code was amended in 2019 to modernize and refine development standards to further these interests. The regulating plan, which establishes land uses and development standards, allows a variety of housing and commercial projects, including mixed-use residential communities, live/work units, hotels, and offices; and

WHEREAS, the City Council of the City of Santa Ana certified the Environmental Impact Report (SCH No. 2006071100) and adopted a mitigation monitoring and reporting program for the Transit Zoning Code, which allows a mixture of residential, commercial, and limited industrial land uses; and

WHEREAS, the entitlements sought for the proposed mixed-use development project include a Site Plan Review application, Variance application, and an Amendment Application; and

WHEREAS, in 2010, the City Council certified the Final Environmental Impact Report ("2010 EIR") for the Transit Zoning Code Project ("Originally Approved Plan"),

which analyzed the potentially significant environmental impacts of a mixed-use plan area consisting of new residential, commercial, and industrial development; and

WHEREAS, pursuant to the 2010 EIR, the subject site may be developed with a mixed-use development consisting of residential and commercial land uses; and

WHEREAS, when compared against the Originally Approved Plan, the proposed mixed-use development will not result in any new or intensified significant impacts; and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.) (“CEQA”) and the State CEQA Guidelines (14 Cal. Code Regs. 15000 et seq.), the City is the Lead Agency for the proposed development; and

WHEREAS, pursuant to CEQA, when taking subsequent discretionary actions in furtherance of a project for which an EIR has already been certified, the Lead Agency is prohibited from requiring a subsequent or supplemental EIR unless at least one of the circumstances identified in Public Resources Code section 21166 or State CEQA Guidelines section 15162 are present; and

WHEREAS, City staff has evaluated the proposed project and considered whether, in light of the impacts associated with its development, any supplemental or subsequent environmental review is required pursuant to Public Resources Code section 21166 or State CEQA Guidelines section 15162; and

WHEREAS, the analysis contained in the 4th and Mortimer Mixed-Use Development project’s EIR Addendum (“2020 Addendum”) concludes that none of the circumstances described in Public Resources Code section 21166 or State CEQA Guidelines section 15162 have occurred, and thus no supplemental or subsequent EIR is required; and

WHEREAS, the proposed Project is within a transit priority area (TPA) as defined by Public Resources Code (PRC) Section 21099(a)(7). A TPA is an area within one-half mile of a major transit stop that is existing (or planned under certain conditions). A major transit stop includes the intersection of two or more major bus routes with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods (PRC § 21064.3). The Project site is within 0.5 miles of the intersection of Bus Routes 53, 55, 64, 83, 206 and 462 with transit stops located throughout Main Street, Civic Center Drive, Fifth Street, Santa Ana Boulevard and First Street. Furthermore, the Santa Ana Metrolink Station and Santa Ana Regional Transportation Center is located less than 0.5 miles to the east at Santa Ana Boulevard and Santiago Street. The transit frequency at the stops along Main Street and First Street is every 15-minutes during the morning and afternoon peak commute periods and therefore qualifies as a high-quality transit corridor. Lastly, the project is located within a 0.5 miles of a high-quality transit corridor (routes along Main Street and First Street), plus the future OC Streetcar, which would further enhance mobility throughout Downtown Santa Ana, beyond the current

transit opportunities that are now availability. Therefore, under SB 743, aesthetic and parking impacts cannot be considered a significant impact within TPA's; and

WHEREAS, on October 12, 2020 at a duly noticed public hearing, the Planning Commission considered the 2020 EIR Addendum for Site Plan Review No. 2020-03 and Variance No. 2020-06 when recommending that the City Council approve the Project; and

WHEREAS, on November 17, 2020 at a duly noticed public hearing, the City Council considered the 2020 EIR Addendum for Amendment Application No. 2020-04; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES RESOLVE, DETERMINE, FIND AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and incorporated herein by reference.

SECTION 2. State CEQA Guidelines section 15164 requires lead agencies to prepare an addendum to a previously certified EIR if some changes or additions to the project are necessary, but none of the conditions requiring preparation of a subsequent EIR are present. The City Council has reviewed and considered the 2010 EIR and the 2020 Addendum, and finds that these documents taken together contain a complete and accurate reporting of all of the potential environmental impacts associated with the proposed development. The City Council further finds that the 2020 Addendum has been completed in compliance with CEQA and the State CEQA Guidelines. The City Council further finds and determines that the EIR Addendum reflects the City's independent judgment.

SECTION 3. Based on the substantial evidence set forth in the record, including but not limited to the 2010 EIR and the 2020 Addendum, the City Council finds that an addendum is the appropriate document for disclosing the changes to the subject property, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- (a) The proposed development does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- (b) There is not a substantial change with respect to the circumstances under which the proposed development will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant

Resolution No. 2020-xx

environmental effects or a substantial increase in the severity of the previously identified significant effects.

- (c) New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

SECTION 4. The City Council hereby finds that mitigation measures identified in the 2010 EIR remain applicable to the Transit Zoning Code, with exception of mitigation measure MM4.4-1(a) as part of the Cultural Resources which has been revised after consultation with California Native American Tribes. These findings are described more specifically in the Mitigation Monitoring and Reporting Program (“MMRP”) attached hereto as **Exhibit A**. The City Council therefore hereby adopts those mitigation measures identified as remaining applicable to the Transit Zoning Code, through the MMRP attached hereto and incorporated herein as **Exhibit A**.

SECTION 5. The City Council hereby approves and adopts the 2020 4th and Mortimer Mixed-Use Development EIR Addendum related to Amendment Application No. 2020, attached hereto and incorporated herein as **Exhibit B**.

SECTION 6. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively “Actions”), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or

Resolution No. 2020-xx

Page 4 of 8

any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

SECTION 7. The City Council directs staff to prepare, execute and file a CEQA Notice of Determination with the Orange County Clerk's Office within five working days of the City Council approval of Amendment Application No. 2020 for the 4th and Mortimer Mixed-Use Development Project.

SECTION 8. The 2010 EIR and the 2020 EIR Addendum, and any other documents and materials that constitute the record of proceedings upon which these findings have been based are on file, are incorporated herein by reference and are available for public review at Santa Ana City Hall, Planning and Building Agency, M20, 20 Civic Center Plaza, Santa Ana, California 92701. The custodian of these records is Daisy Gomez, City Clerk for the City.

SECTION 9. This resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this resolution.

ADOPTED this ____ day of _____, 2020.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: _____
Lisa E. Storck
Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2020-xx to be the original resolution adopted by the City Council of the City of Santa Ana on _____, 2020.

Date: _____

Clerk of the Council
City of Santa Ana

EXHIBIT A
MITIGATION MONITORING AND REPORTING PROGRAM

The Mitigation Monitoring and Reporting Program (MMRP) is available online at:
<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:
Planning and Building Agency – Planning Division Public Counter
20 Civic Center Plaza
Santa Ana, CA 92701

EXHIBIT B
4TH AND MORTIMER EIR ADDENDUM

The 4th and Mortimer Mixed-Use Development Project EIR Addendum and
Technical Appendices are available online at:

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

EXHIBIT 3
75C-385

ORDINANCE NO. NS-XXXX

AN ORDINANCE OF THE CITY COUNCIL APPROVING AMENDMENT APPLICATION NO. 2020-04 MODIFYING THE SUB-ZONING DESIGNATION OF THE PROPERTIES LOCATED AT 501, 507, 509, 515, AND 519 EAST FOURTH STREET AND THOSE AT 502, 506, 510, 514, 520 EAST FIFTH STREET FROM SPECIFIC DEVELOPMENT NO. 84, URBAN NEIGHBORHOOD 2 (UN-2) SUB-ZONE, TO THE URBAN CENTER (UC) SUB-ZONE

THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Santa Ana hereby finds, determines and declares as follows:

WHEREAS, Chapter 41, Article 1, Division 1, Section 41-1 of the Santa Ana Municipal Code establishes the necessity of segregating the location of residences, businesses, trades and industries; regulating the use of buildings, structures, and land regulation; the location, height, bulk and size of buildings and structures, the size of yards and open space; the City is divided into land-use districts of such number, shape and area as may be considered best suited to carry out these regulations and provide for their enforcement; and

WHEREAS, the regulations are considered necessary in order to: encourage the most appropriate use of land, conserve and stabilize property value, provide adequate open spaces for light and air and to prevent and fight fires, prevent undue concentration of population, lessen congestion on streets and highways, and promote the health, safety and general welfare of the people, all as part of the general plan of the City; and

WHEREAS, the City of Santa Ana has adopted a zoning map which has since been amended from time to time; and

WHEREAS, Andrew Nelson, with Red Oak Investments, LLC, representing Northgate Gonzalez Real Estate (hereinafter referred to as "Applicant"), seeks to develop the 4th and Mortimer Mixed-use Development Project ("proposed Project"), on a 1.423-acre site at 409 East Fourth Street and a 1.292-acre site at 501, 507, 509, 515, and 519 East Fourth Street and 502, 506, 510, 514, 520 East Fifth Street (collectively referred to as "509 East Fourth Street") in Santa Ana, California ("Project Site"); and

WHEREAS, during the City's entitlement and environmental review process, and in response to comments and concerns raised by the City and public, the Applicant has proposed the subject mixed-use Project; and

WHEREAS, the entire Project as currently proposed entails, among other things, (1) demolition of an existing commercial grocery market, surface parking lot, an existing commercial auto building, and ancillary structures on the Project Site; (2) redevelopment of the Project Site with a residential and commercial mixed-use development consisting mixed-use residential and commercial development consisting of two separate buildings located on two development sites at 409 (Site A) and 509 (Site B) East Fourth Street, with up to 169 residential rental units, 11,361 square feet of commercial space, 422 on-site parking spaces, and onsite landscaping and amenities; (3) approval of Site Plan Review No. 2020-03 to allow the construction of two structures over four stories in height; (4) approval of Variance No. 2020-06 to allow an increase in the allowable building size and massing for Site B; and (5) approval of Amendment Application (AA) No. 2020-04, which would change the zoning of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center (UC) sub-zone; and

WHEREAS, the requested Amendment Application would modify the zoning designation of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to Specific Development No. 84, Urban Center (UC) to facilitate the construction of the proposed Project; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), the City Council of the City of Santa Ana hereby finds, determines, and declares as follows:

Based on the substantial evidence set forth in the record, including but not limited to the Environmental Impact Report (EIR) for the Transit Zoning Code Project (SCH NO. 2006071100) and the 2020 4th and Mortimer Mixed-Use Development EIR Addendum, the City Council finds that an addendum is the appropriate document for disclosing the changes to the subject properties, and that none of the conditions identified in Public Resources Code section 21166 and State CEQA Guidelines section 15162 requiring subsequent environmental review have occurred, because:

- A. The project does not constitute a substantial change that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- B. There is not a substantial change with respect to the circumstances under which the project will be developed that would require major revisions of the 2010 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects.
- C. New information of substantial importance has not been presented that was not known and could not have been known with the exercise of reasonable diligence at the time the 2010 EIR was certified or adopted, showing any of the following: (i) that the modifications would have one or more significant effects not discussed in the earlier environmental documentation; (ii) that significant

effects previously examined would be substantially more severe than shown in the earlier environmental documentation; (iii) that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the Applicant declined to adopt such measures; or (iv) that mitigation measures or alternatives considerably different from those analyzed previously would substantially reduce one or more significant effects on the environment, but which the Applicant declined to adopt.

WHEREAS, the 2020 4th and Mortimer Mixed-Use Development EIR Addendum analyzed the impacts related to the proposed amendment to the zoning map and Specific Development No. 84; and

WHEREAS, on October 12, 2020, the Planning Commission conducted a duly noticed public hearing to consider the 2020 4th and Mortimer Mixed-Use Development EIR Addendum, Site Plan Review No. 2020-03, Variance No. 2020-06, and Amendment Application No. 2020-04 described above. After hearing all relevant testimony from staff, the public and the City's consultant team, the Planning Commission voted to recommend that the City Council adopt a resolution approving an Addendum to the EIR for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04, and to adopt an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).

WHEREAS, on November 17, 2020, the City Council conducted a duly noticed public hearing to consider the 2020 4th and Mortimer Mixed-Use Development EIR Addendum and Amendment Application No. 2020-04 and at which hearing members of the public were afforded an opportunity to comment upon the Project. After hearing all relevant testimony from staff, the public and the City's consultant team, the City Council voted to adopt a resolution approving an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04, and to adopt an ordinance approving Amendment Application No. 2020-04 for Specific Development No. 84 (SD84).

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT: The City Council has reviewed and approved an Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adoption of a mitigation monitoring and reporting program for Amendment Application No. 2020-04.

SECTION 3. AMENDMENT APPLICATION: The Amendment Application consists of amendments to the zoning map changing the zoning of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center

(UC) sub-zone, as shown in Exhibit A and Exhibit B respectively, attached hereto and incorporated herein by reference.

SECTION 4. LOCATION OF DOCUMENTS: The Amendment Application, Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and all supporting documents are online, on file and available for public review at Santa Ana City Hall, 20 Civic Center Plaza, Santa Ana, California 92702.

SECTION 5. GENERAL PLAN CONSISTENCY: The City Council hereby finds that the proposed Amendment Application is compatible with the objectives, policies, and general plan land use programs in that:

- A. The proposed Amendment Application will not adversely affect the public health, safety, and welfare in that the Amendment Application will not result in incompatible land uses on adjacent properties, inconsistencies with any General Plan goals or policies, or adverse impacts to the environment.
- B. The amendment application to change the zoning designation of Site B from Specific Development No. 84, Urban Neighborhood 2 (UN-2) sub-zone, to the Urban Center (UC) sub-zone is consistent with Santa Ana Municipal Code section 41-593.1 for the following reasons:

(1) Protecting and enhancing the value of properties by encouraging the use of good design principles and concepts, as related to the division of property, site planning and individual improvements with full recognition of the significance and effect they have on the proper planning and development of adjacent and nearby properties.

The project's site plan has been designed to integrate the project site into the surrounding community. Both parking garages will provide vehicular gates separating available commercial parking spaces (e.g., guest, commercial, employee, etc.) from the residential parking areas. Vehicular access will be provided from Fifth Street by one right-turn only driveway west of Mortimer Street and one full access driveway east of Mortimer Street. The on-site circulation would provide safe access for vehicle-pedestrian traffic and the driveway would provide sufficient throating such that access to parking spaces is not impacted by internal vehicle queuing/stacking. Pedestrian access points would be provided by residential lobbies access along French and Mortimer Street. These access points have been designed to ensure the safety of residents and visitors of the project site, as well as commuters, employees, and residents of the surrounding community.

(2) Encouraging, securing and maintaining the orderly and harmonious appearance, attractiveness and aesthetic development of structures

and grounds in order that the most appropriate use and value thereof be determined and protected.

Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana. Each site has its own unique architectural vernacular defined by scale, facade articulation, roof forms, materials, and detailing. Both of these blocks are designed in closely related and established California Contemporary architectural style, which complements the neighborhood in which the development is located.

The overall development will feature amenities commonly found at other upscale mixed-use developments in the region. These include a large courtyard with pool, spa, clubroom, fitness room, and landscaping in the center of Site A; a roof terrace on the 7th floor of Site A, overlooking Fourth and French streets; a leasing office and lounge in Site A; a bike locker in Site A; and a ground-floor lobby and resident amenity area in Site B. In addition, the project features private open space/decks for 59 units on Site A and 48 on Site B. The two-block project will be built and is conditioned to be managed as a single community and all amenities will be accessible to residents from either site.

(3) Providing a method whereby specific development plans are to be based on the general plan as well as other regulations, programs, and legislation as may, in the judgment of the city, be required for the systematic execution of the general plan.

The project site has a General Plan designation of District Center on Site A and Urban Neighborhood on Site B. The District Center-Downtown District and Urban Neighborhood land use designation accommodates high-rise office, commercial, and mixed-use residential uses with an emphasis on streets that accommodate all modes of transportation for this land use designation. The allowable floor area ratio (FAR) for District Center and Urban Neighborhood land use designation would be a maximum of 3.0 and 1.80, respectively. The proposed project would include construction of two new buildings, one of which would be seven stories in height with an FAR of 2.4 (Site A) and one that would be five stories in height with an FAR of 1.8 (Site B), consistent with the allowable FAR as part of the General Plan.

Furthermore, the project is consistent with several goals and policies of the General Plan, including the Economic

Development Element and Land Use Element. Land Use Element Goal 1 promotes a balance of land uses to address basic community needs. Policy 1.1 promotes medium density housing in and around the downtown area and Policy 1.2 supports high density residential development within the City's District Centers as a part of a mixed use development. The project will involve construction of a mixed-use residential and commercial building on Site A with a density of 69.6 du/ac, and a multi-family residential building on Site B with a density of 54.2 du/ac, on two adjacent city blocks in downtown, within the Transit Zoning Code area. Therefore, the Project will be consistent with the General Plan Land Use Element.

- 4) Recognizing the interdependence of land values and aesthetics and providing a method to implement this interdependence in order to maintain the values of surrounding properties and improvements and encouraging excellence of property development, compatible with the general plan for, and character of, the city, with due regard for the public and private interests involved.

The project is consistent with the Land Use Element Goal 2 which promotes land uses that enhance the City's economic and fiscal viability. Policy 2.7 support projects that contribute to the redevelopment and revitalization of the central City urban areas. The development proposes to redevelop to City blocks currently occupied by a commercial building, surface parking lot, and vacant and unimproved buildings and parcels. Policy 2.10 supports new development that is harmonious in scale and character with existing development in the area. Both sites in the development have been carefully designed to be integrated within the existing development pattern in Downtown Santa Ana. The mixture of land uses on the project site, including residential, commercial, and open space, will contribute to the formation a dynamic downtown core. The commercial and open space components will serve both residents and visitors of the project site, as well as the large daytime employee population working in the project site's immediate vicinity.

- (5) Ensuring that the public benefits derived from expenditures of public funds for improvements and beautification of streets and public facilities shall be protected by exercise of reasonable controls over the character and design of private buildings, structures and open spaces.

The project is consistent with Economic Development Element Goal 2 maintains and enhances the diversity of the City's economic base. Policy 2.3 encourages the development of

mutually beneficial and supportive business clusters within the community. The construction of this project will contribute toward an economically balanced community by providing housing and commercial retail opportunities (e.g., restaurant, retail sales, etc.) for different demographics in an area rich with employment opportunities, commercial development, and market-rate housing. In addition, a fiscal and economic impact analysis estimates that the proposed development will result net positive fiscal impacts to the City, the Business Improvement District, and over 800 new temporary or permanent jobs. Specifically, the analysis estimates \$5.4 million net new General Fund revenues associated with the project over a 25-year period. The mixed-use development will utilize existing water, sewer, and drainage infrastructure and will not result in the expansion of infrastructure. In addition, the Project will not result in the need for expansion of new or altered police or fire facilities.

SECTION 6. INDEMNIFICATION.

A. General Indemnification. The Applicant shall indemnify, protect, defend and hold the City and/or any of its officials, officers, employees, agents, departments, agencies, authorized volunteers, and instrumentalities thereof, harmless from any and all claims, demands, lawsuits, writs of mandamus, and other and proceedings (whether legal, equitable, declaratory, administrative or adjudicatory in nature), and alternative dispute resolution procedures (including, but not limited to arbitrations, mediations, and such other procedures), judgments, orders, and decisions (collectively "Actions"), brought against the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof, that challenge, attack, or seek to modify, set aside, void, or annul, any action of, or any permit or approval issued by the City and/or any of its officials, officers, employees, agents, departments, agencies, and instrumentalities thereof (including actions approved by the voters of the City) for or concerning the project, whether such Actions are brought under the Ralph M. Brown Act, California Environmental Quality Act, the Planning and Zoning Law, the Subdivision Map Act, Code of Civil Procedure sections 1085 or 1094.5, or any other federal, state or local constitution, statute, law, ordinance, charter, rule, regulation, or any decision of a court of competent jurisdiction. It is expressly agreed that the City shall have the right to approve, which approval will not be unreasonably withheld, the legal counsel providing the City's defense, and that Applicant shall reimburse the City for any costs and expenses directly and necessarily incurred by the City in the course of the defense. City shall promptly notify the Applicant of any Action brought and City shall cooperate with Applicant in the defense of the Action.

B. Further Indemnification. Within five (5) days of receipt of a referendum petition by the City, Applicant shall deposit Fifty Thousand Dollars (\$50,000) ("Referendum Deposit") with the City. City may use the funds to pay any and all costs associated with said referendum measure. If at any time the Referendum Deposit account has Five Thousand Dollars (\$5,000) or less remaining, Applicant shall, within

three (3) days of receiving notice from the City, deposit with the City additional funds as requested by the City to cover all costs and expenses associated with processing the referendum and holding the related election. Following certification of the election results, any funds remaining in the Referendum Deposit account shall be returned to the Applicant.

SECTION 7. If any section, subsection, sentence, clause, phrase or portion of this ordinance for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council of the City of Santa Ana hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

SECTION 8. CITY COUNCIL ACTIONS: The City Council hereby takes the following actions:

1. The City Council hereby adopts an Ordinance approving Amendment Application No. 2020-04 as follows:
 - A. Subject to compliance with the approved Addendum to the Environmental Impact Report for the Transit Zoning Code Project (SCH NO. 2006071100) and adopted mitigation monitoring and reporting program for Amendment Application No. 2020-04, the properties at 501, 507, 509, 515, and 519 East Fourth Street and 502, 506, 510, 514, 520 East Fifth Street shall be amended to Specific Development No. 84 Urban Center (UC) sub-zone as set forth in Exhibit A and Exhibit B, attached hereto and incorporated herein by reference.
 - B. The Amendment Application shall not take effect unless and until the Planning Commission reviews and approved the EIR Addendum, Environmental Review No. 2018-113, Variance No. 2020-06 and Site Plan Review No. 2020-03, and the City Council reviews and approves the EIR Addendum, Environmental Review No. 2018-113 for the subject project.

SECTION 9. EXECUTION OF ORDINANCE. The Mayor shall sign this Ordinance and the Clerk of the Council shall attest and certify to the adoption thereof.

ADOPTED this _____ day of _____, 2020.

Miguel A. Pulido
Mayor

Ordinance No. NS-XXXX
Page 8

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: _____
Lisa E. Storck
Assistant City Attorney

AYES: Councilmembers _____

NOES: Councilmembers _____

ABSTAIN: Councilmembers _____

NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, DAISY GOMEZ, Clerk of the Council, do hereby attest to and certify that the attached Ordinance No. NS-XXXX to be the original ordinance adopted by the City Council of the City of Santa Ana on _____, 2020, and that said ordinance was published in accordance with the Charter of the City of Santa Ana.

Date: _____

Daisy Gomez
Clerk of the Council
City of Santa Ana

EXHIBIT 4
75C-395

SPR 2020-03, VAR 2020-06, AA 2020-04 - 4th and Mortimer Mixed-Use Development Project
409 and 509 East Fourth Street

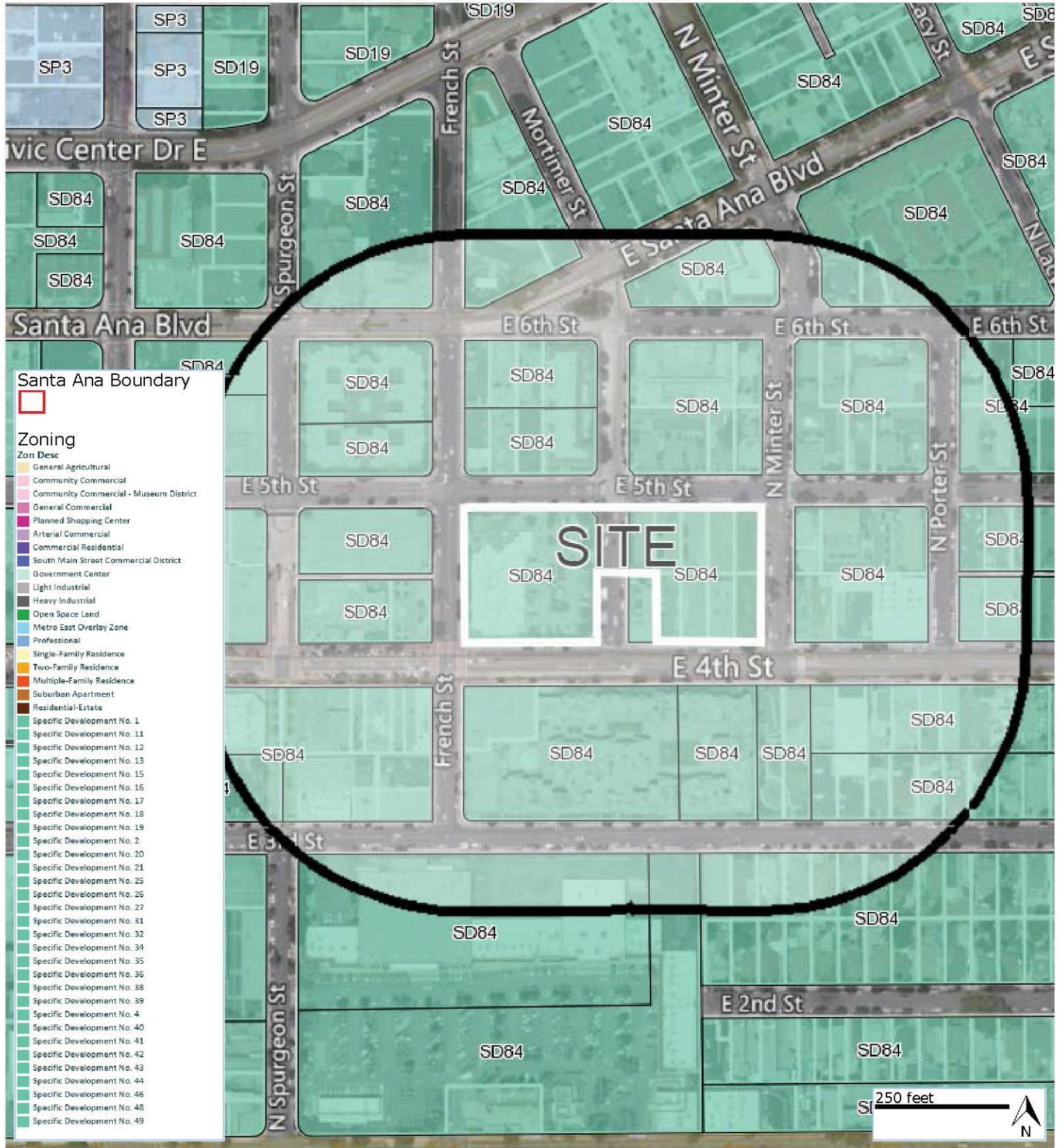


Exhibit 4 – Vicinity Zoning and Aerial View



75C-396

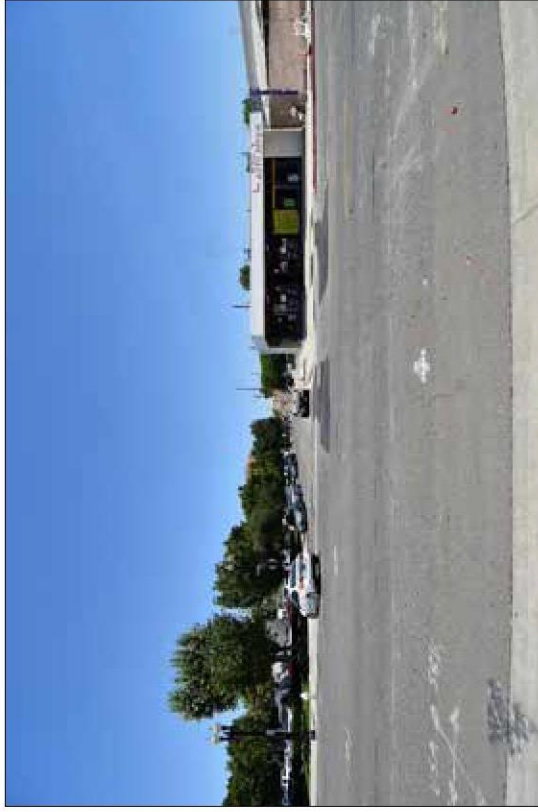
EXHIBIT 5
75C-397



Northeast View of Site A from 5th Street and Mortimer Street



Northwestern View of Site A



Southern View of Sites A and B from 4th Street and Minter Street



Southeast View of Site B from Minter Street

409 and 509 East Fourth Street



Southwest View of Site B from 4th Street and Mortimer Street



Southern View of Site B from 4th Street



Northeastern View of Site B from 5th Street and Minter Street



Northwest View of Site B from 5th Street and Mortimer Street

EXHIBIT 6
75C-400



75C-401

Note:
Entrance to residential portions of the building shall be through dedicated street level lobbies and/or through a dedicated podium lobby accessible from the street or through a side yard.



Architecture + Planning
888.458.5345
ktbv.com



RED OAK
INVESTMENTS
A Real Estate Development Company

4TH & MORTIMER
SANTA ANA, CA #2017-00524

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



CONCEPTUAL SITE PLAN

A1.0



Architecture + Planning
888.458.5345
kby.com



RED OAK
INVESTMENTS
A Real Estate Development Company

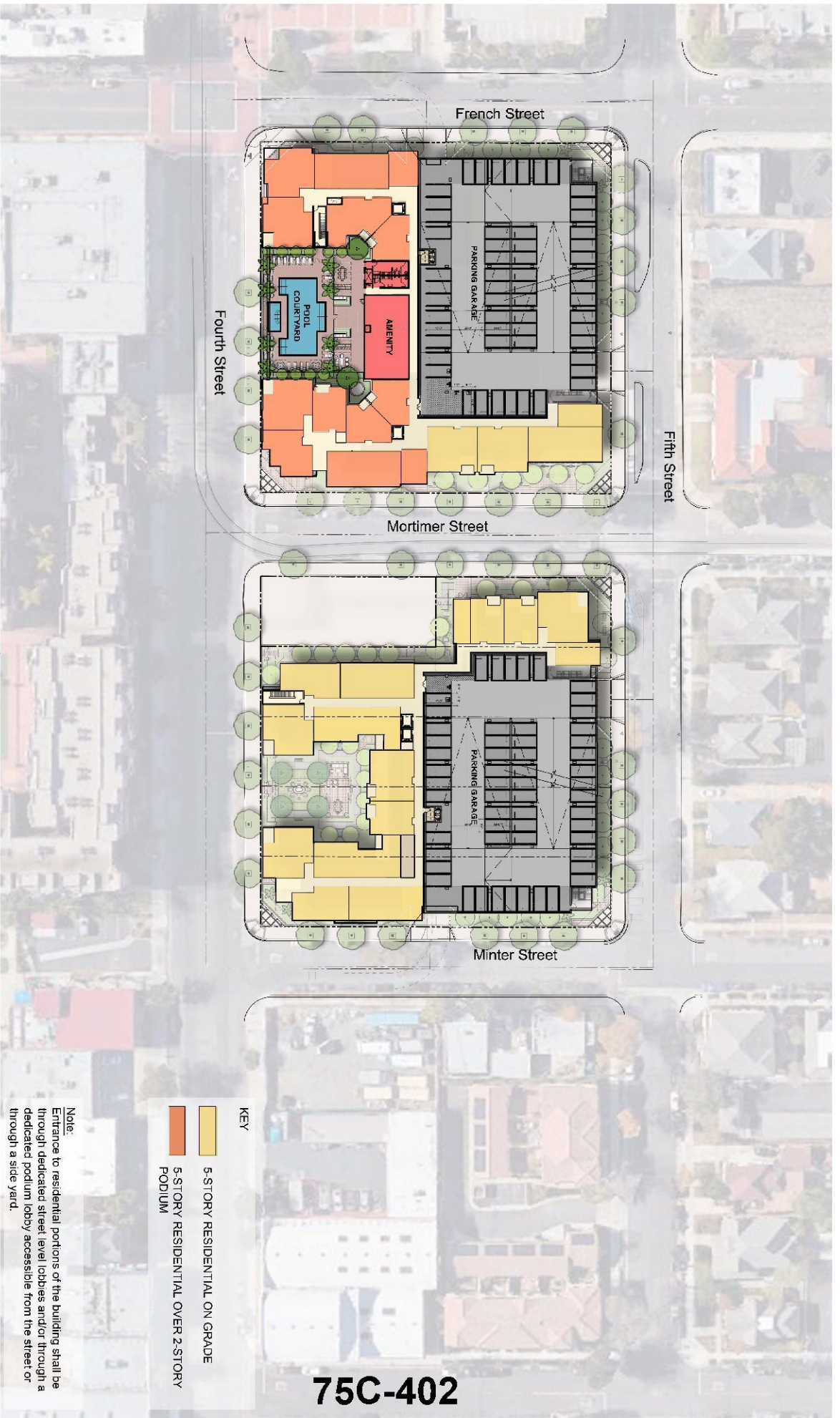
4TH & MORTIMER
SANTA ANA, CA #2017-00534

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020

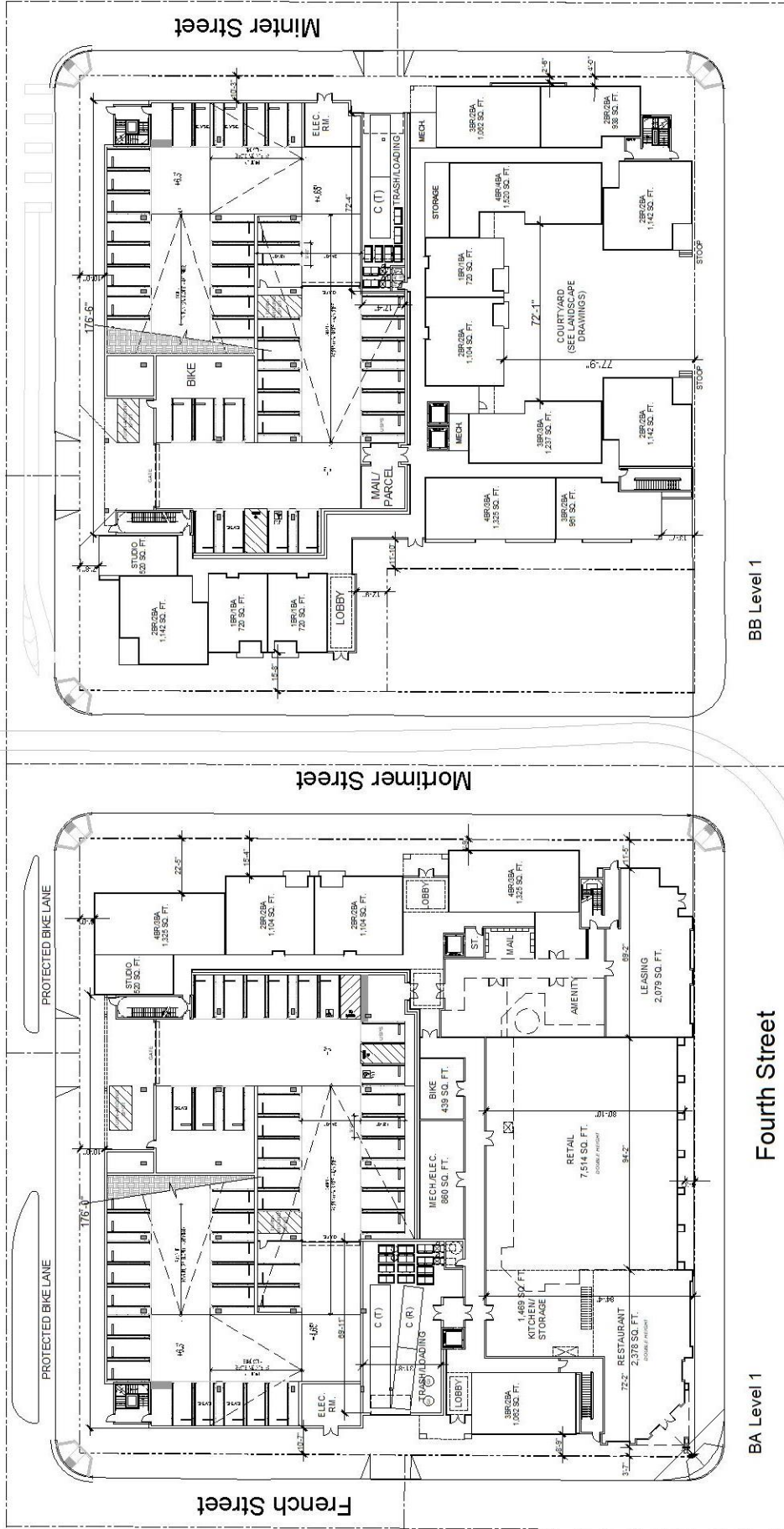


CONCEPTUAL BUILDING PLAN
LEVEL 3

A1.1



Fifth Street



Fourth Street

BA Level 1

FUTURE STREETCAR TRACK

BB Level 1

Fifth Street

French Street

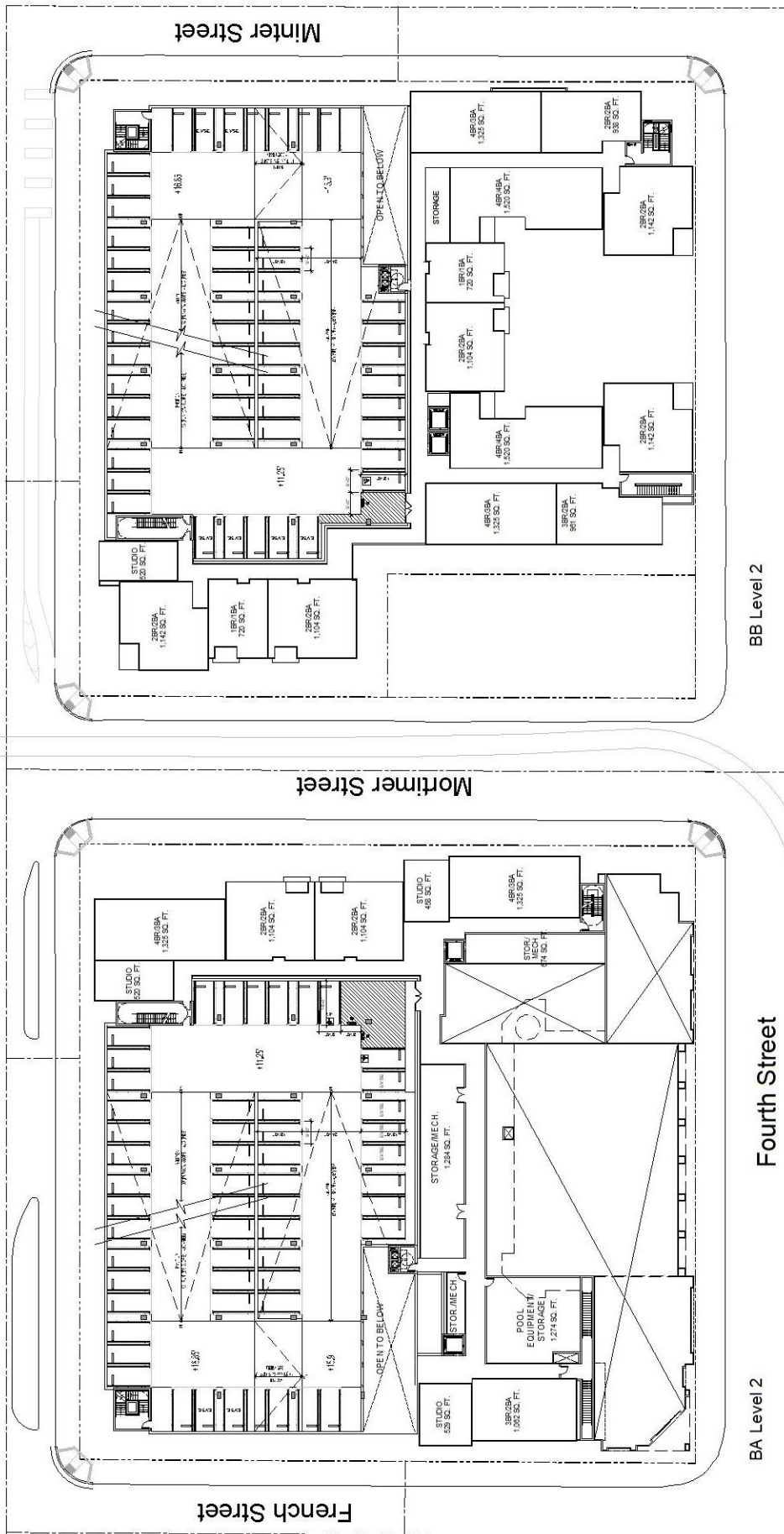
Mortimer Street

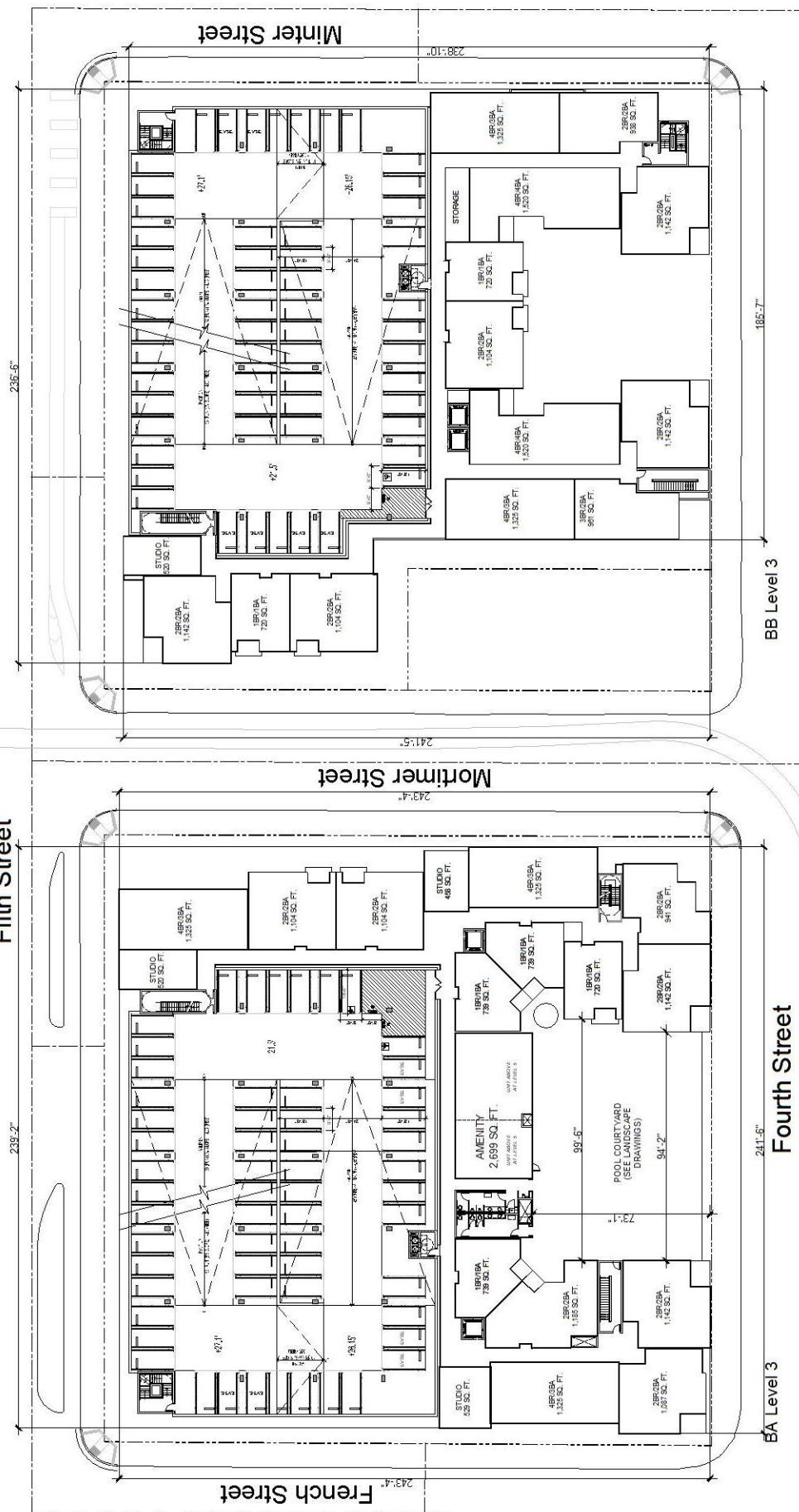
Fourth Street

FUTURE STREET/CAR TRACK

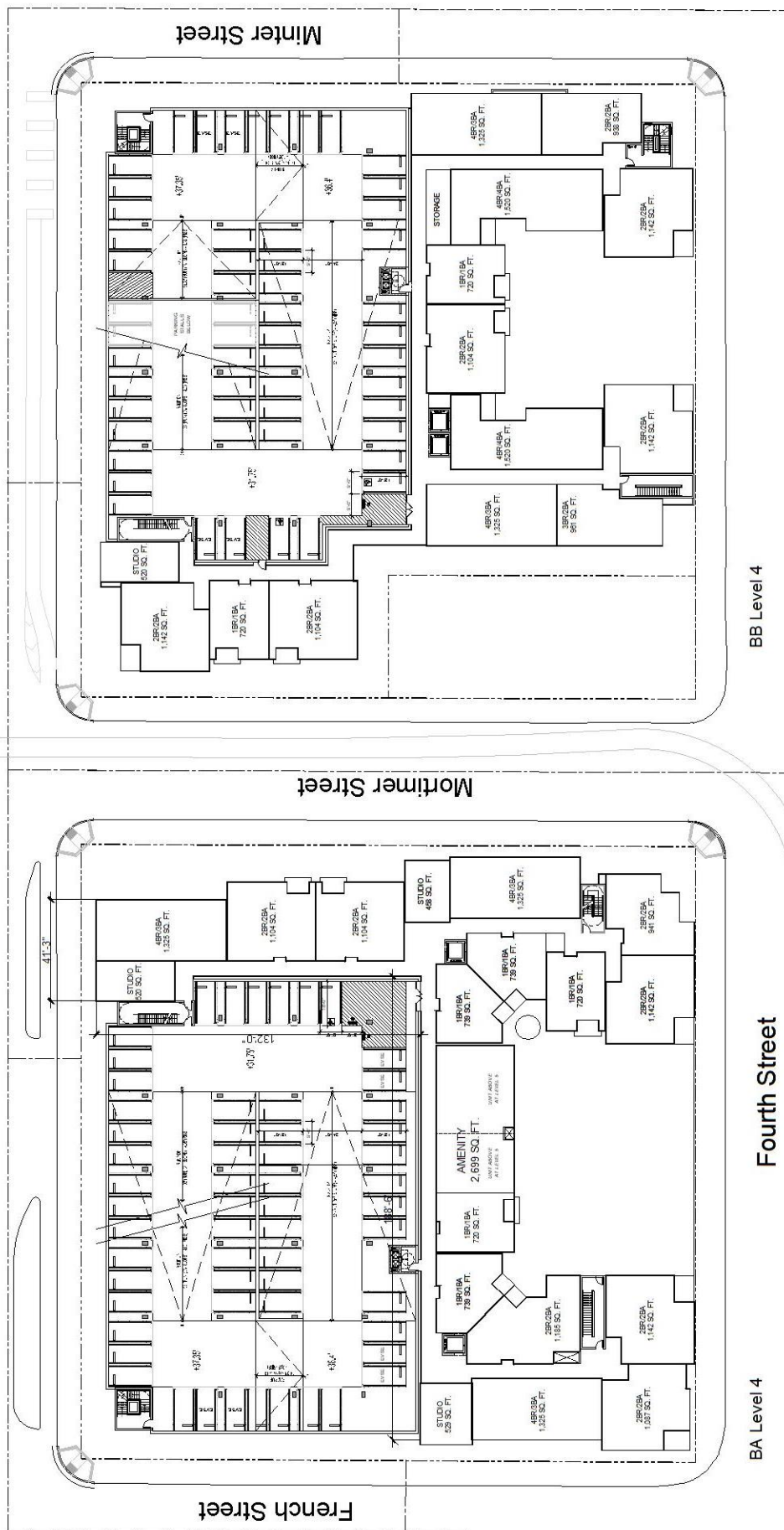
BA Level 2

BB Level 2

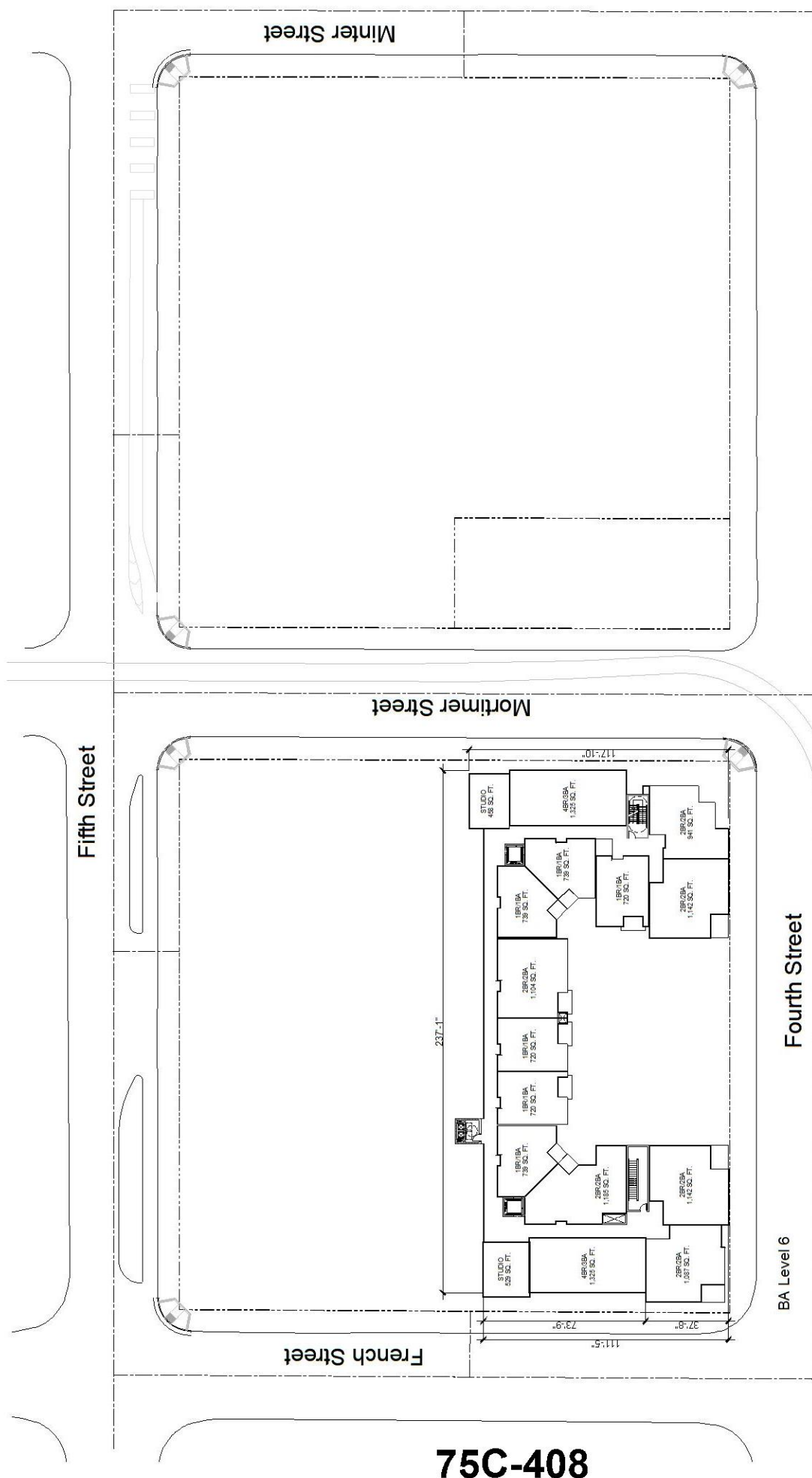




Fifth Street



75C-406



Fifth Street

Mortimer Street

Fourth Street

French Street



RED OAK
INVESTMENTS
A Real Estate Development Company

4TH & MORTIMER
SANTA ANA, CA # 2017-0934

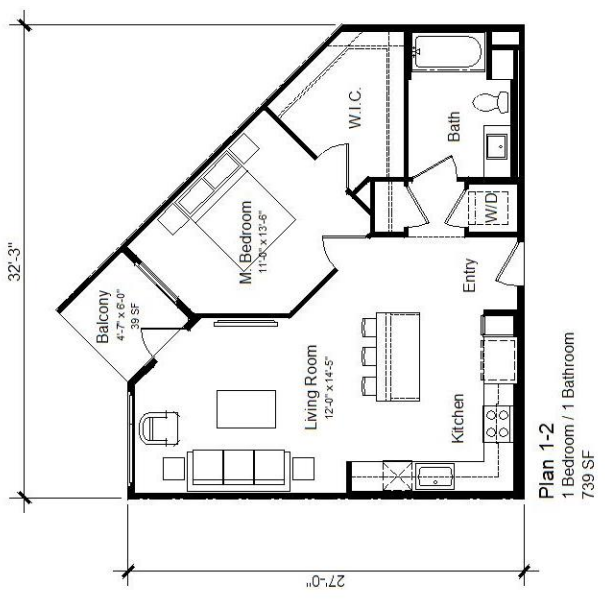
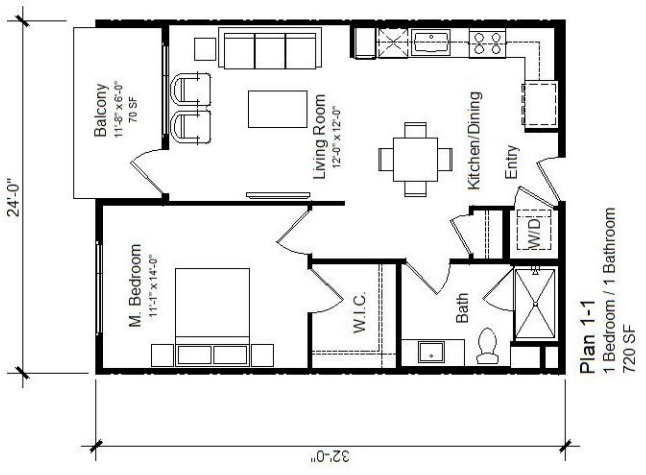
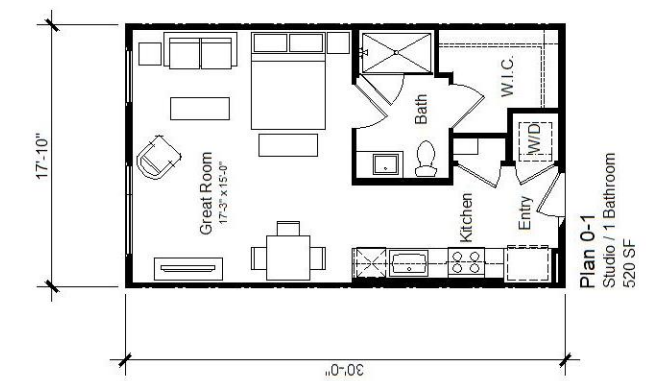
DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020

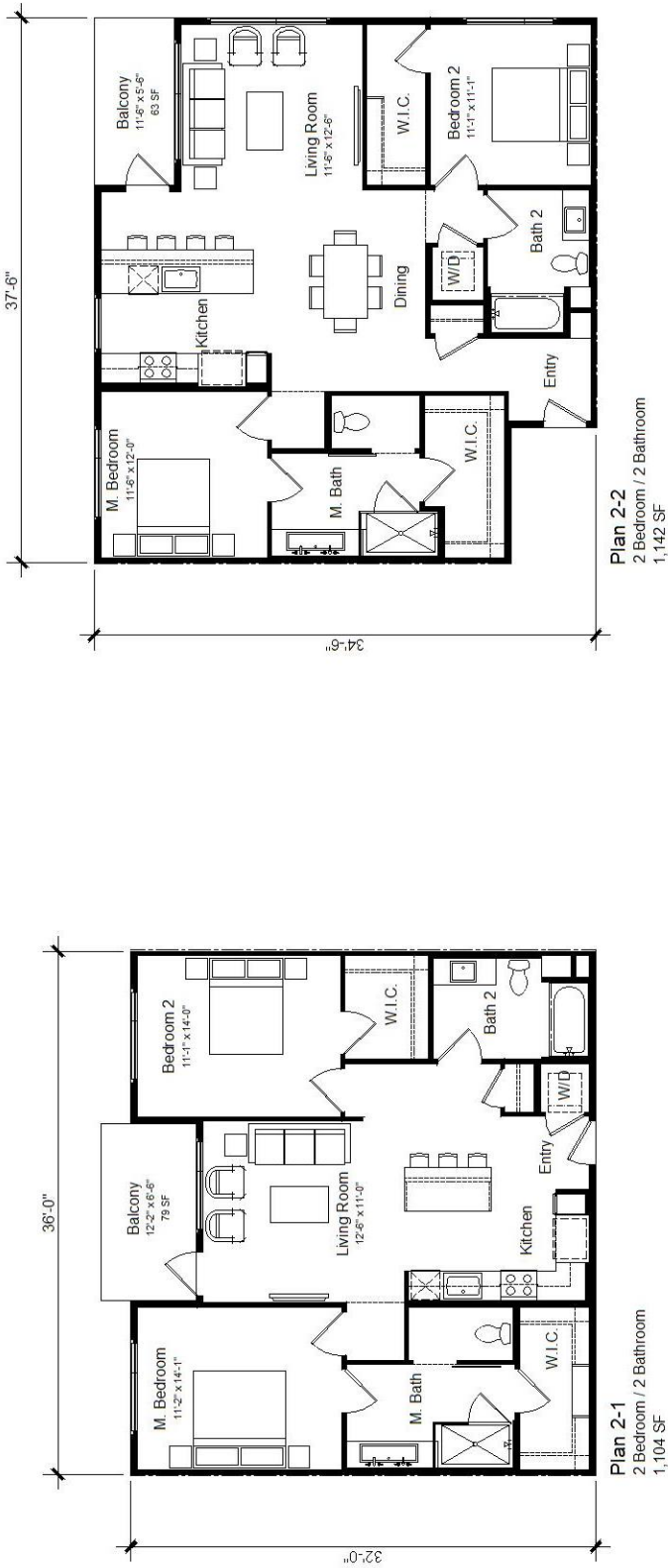
A circular gauge with a needle pointing to 1 on a scale from 0 to 40.

BUILDING PLAN
LEVEL 7

A3.6

EXHIBIT 7
75C-410





Architecture • Planning
888.456.5849
ktgy.com



RED OAK
INVESTMENTS
A Real Estate Development Company

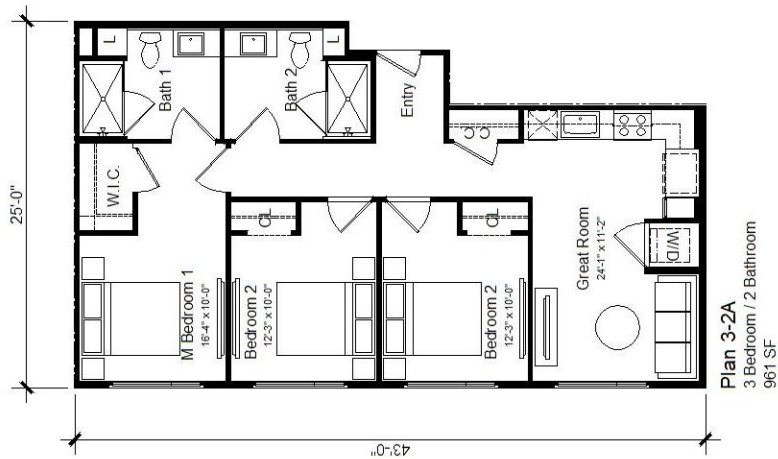
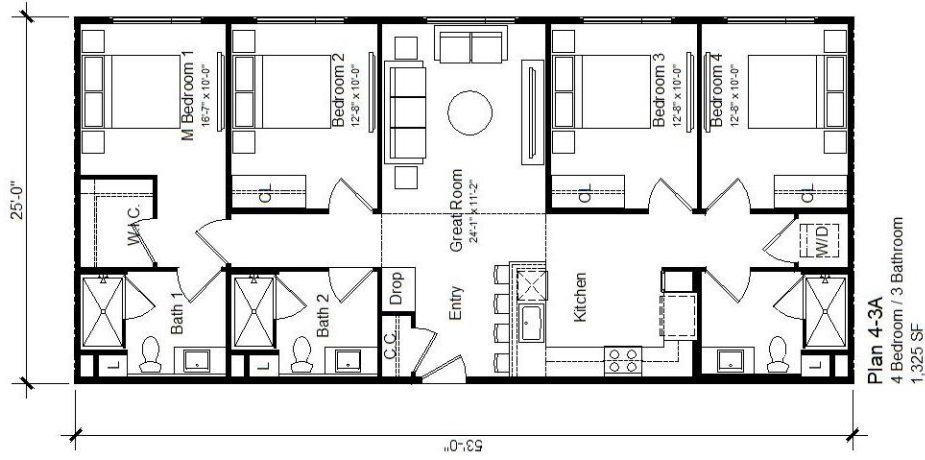
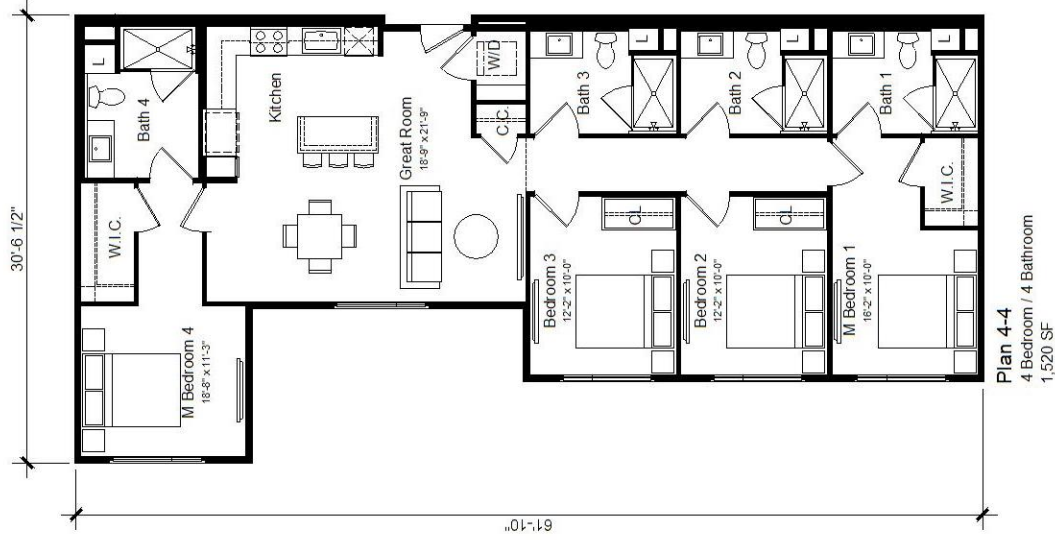
4TH & MORTIMER
SANTA ANA, CA #2017-0924

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



UNIT PLANS

A5.1



75C-413



Architecture • Planning
888.456.5849
ktgy.com



RED OAK
INVESTMENTS
A Real Estate Development Company

4TH & MORTIMER
SANTA ANA, CA # 2017-0924

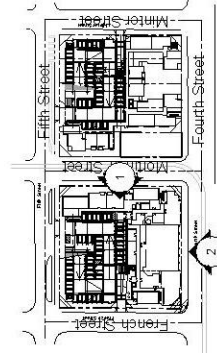
DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



UNIT PLANS

A5.2

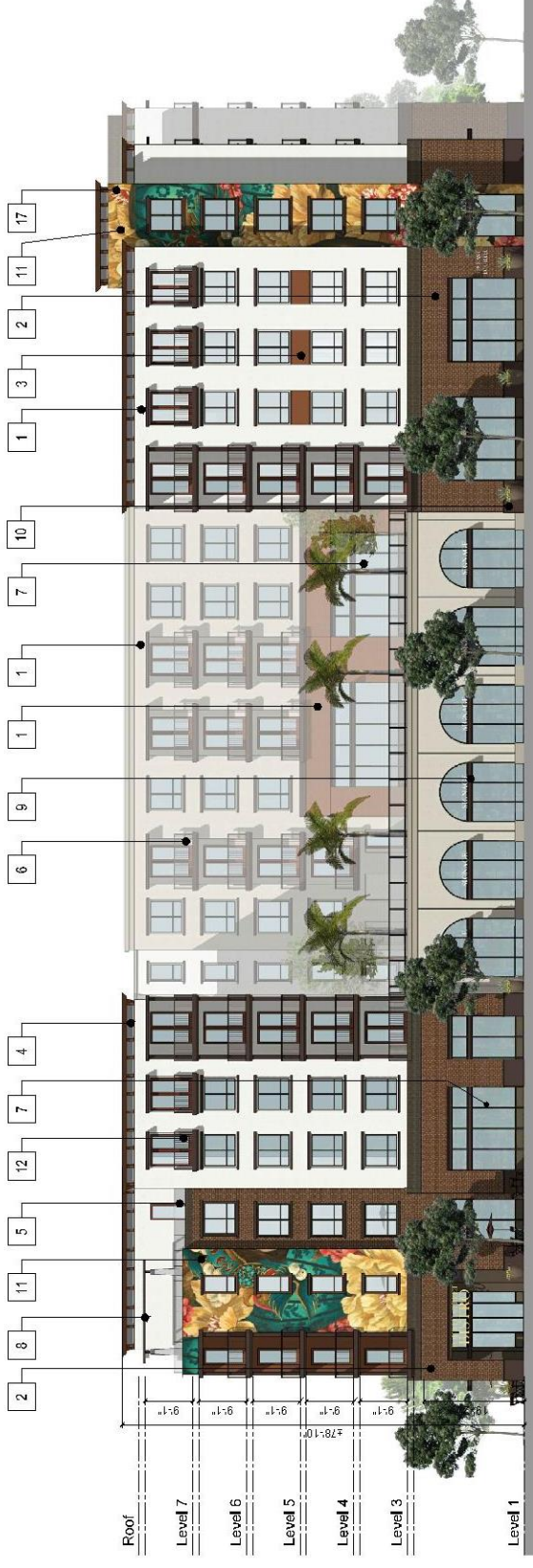
EXHIBIT 8
75C-414



Keymap - n.t.s.

Material Legend

1. Brick Veneer
2. Decorative Panels
3. Foam Trim & Corbels
4. Glass Railing
5. Metal Railing
6. Staircase Glazing
7. Metal Trellis
8. Metal Awning
9. Precast Wainscot
10. Artwork/Mural T&D
11. Decorative Juliet Balconies
12. Painted Concrete
13. Woven Mesh Screen
14. Landscape Buffer (See Landscape Drawings)
15. Flat Concrete Tile Roof
16. Gateway Architectural Feature



2. Building 'A' - South Elevation



1. Building 'A' - East Elevation



Architecture + Planning
688.456.5849
ktgy.com



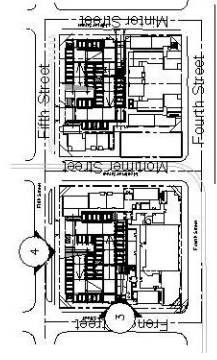
4TH & MORTIMER
SANTA ANA, CA #2017-0924

DEVELOPMENT PROJECT
REVIEW PACKAGE
AUGUST 24, 2020



BUILDING ELEVATIONS
BUILDING A

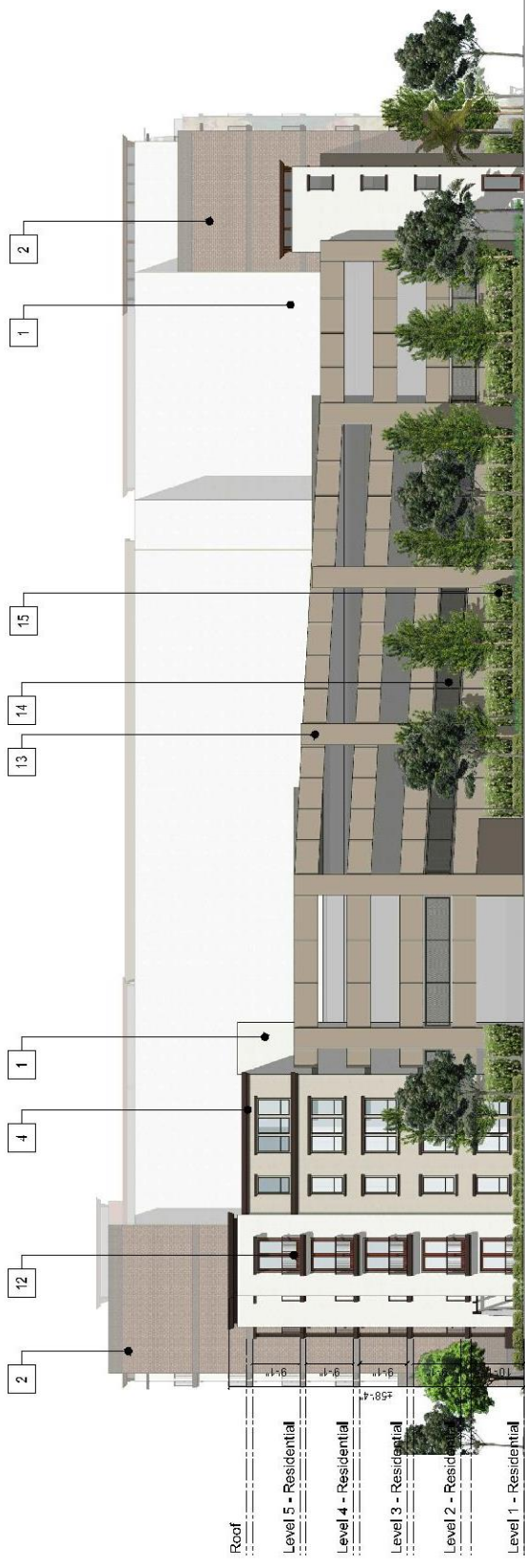
A2.0



Keymap - n.t.s.

Material Legend

1. Stucco
2. Brick Veneer
3. Decorative Panels
4. Foam Trim & Corbels
5. Glass Railing
6. Metal Railing
7. Storefront Glazing
8. Metal Trellis
9. Metal Awning
10. Precast Wainscot
11. Artwork/Mural TBD
12. Decorative Juliet Balconies
13. Painted Concrete
14. Woven Mesh Screen
15. Landscape Buffer (See Landscape Drawings)
16. Flat Concrete Tile Roof
17. Gateway Architectural Feature



4. Building 'A' - North Elevation



3. Building 'A' - West Elevation



Architecture • Planning
888.456.5848
ktgy.com



4TH & MORTIMER
SANTA ANA, CA #2017-0924

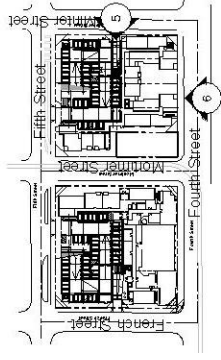
DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



BUILDING ELEVATIONS
BUILDING A

A2.1

75C-416



Keymap - n.t.s.

Material Legend

1. Brick
2. Brick Veneer
3. Decorative Panels
4. Foam Trim & Corbels
5. Glass Railing
6. Metal Railing
7. Stairfront Glazing
8. Metal Trellis
9. Metal Awning
10. Precast Wainscot
11. Artwork/Mural T&O
12. Decorative Juliet Balconies
13. Painted Concrete
14. Woven Mesh Screen
15. Landscape Buffer (See Landscape Drawings)
16. Flat Concrete Tile Roof
17. Gateway Architectural Feature



6. Building 'B' - South Elevation



5. Building 'B' - East Elevation

75C-417



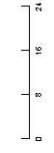
Architecture + Planning
888.456.5848
ktgy.com



RED OAK
INVESTMENTS
A Redox Group Development Company

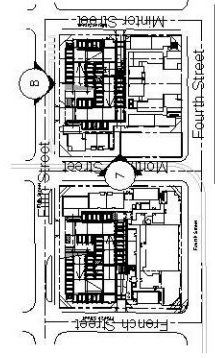
4TH & MORTIMER
SANTA ANA, CA #2017-0924

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



BUILDING ELEVATIONS
BUILDING B

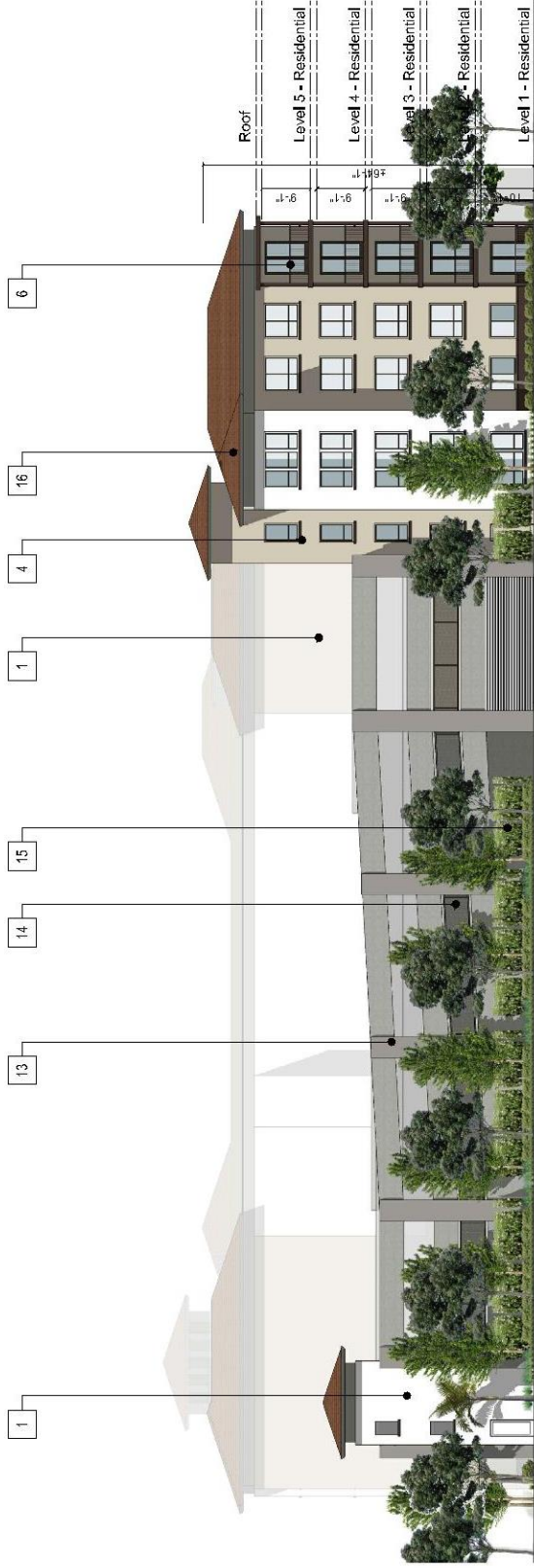
A2.2



Keymap - n.t.s.

Material Legend

1. Brick Veneer
2. Brick Veneer
3. Decorative Panels
4. Foam Trim & Corbels
5. Glass Railing
6. Metal Railing
7. Storefront Glazing
8. Metal Trellis
9. Metal Awning
10. Precast Vainscot
11. Artwork/Mural T&O
12. Decorative Juliet Balconies
13. Painted Concrete
14. Woven Mesh Screen
15. Landscape Buffer (See Landscape Drawings)
16. Flat Concrete Tile Roof
17. Gateway Architectural Feature



8. Building 'B' - North Elevation



7. Building 'B' - West Elevation



Architecture • Planning
888.456.5849
ktgy.com



RED OAK
INVESTMENTS
A Real Estate Development Company

4TH & MORTIMER
SANTA ANA, CA #2017-0934

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



BUILDING ELEVATIONS
BUILDING B

A2.3

75C-418

EXHIBIT 9
75C-419



View 1 - Building A Corner Perspective



Architecture + Planning
888.456.5849
ktgy.com



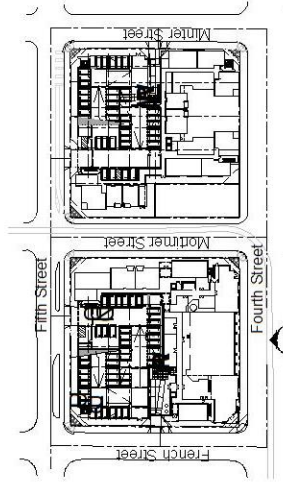
4TH & MORTIMER
SANTA ANA, CA # 2017-0934

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



CONCEPTUAL PERSPECTIVES

A6.0



Key Map n.t.s.



75C-421

View 2 - Building A Along Fourth Street



Architecture • Planning
888.456.5849
ktgy.com



RED OAK
INVESTMENTS
A Real Estate Development Company

4TH & MORTIMER
SANTA ANA, CA #2017-0924

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



CONCEPTUAL PERSPECTIVES

A6.1

75C-422



View 3 - Building B Along Fourth Street

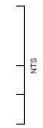


Architecture • Planning
888.456.5849
ktgy.com



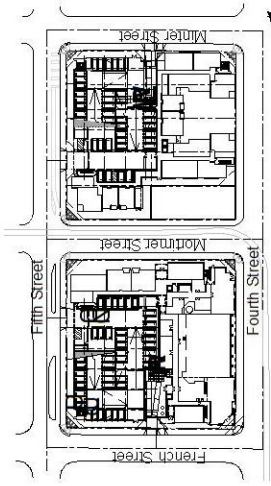
4TH & MORTIMER
SANTA ANA, CA #2017-0924

DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020



CONCEPTUAL PERSPECTIVES

A6.2



Key Map n.t.s.

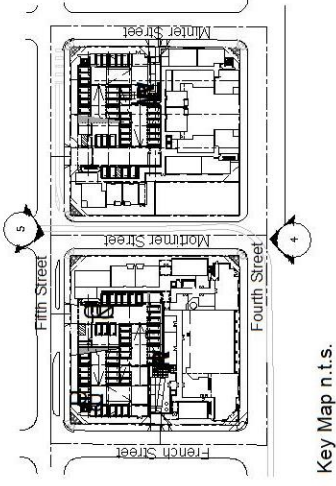


EXHIBIT 10
75C-424

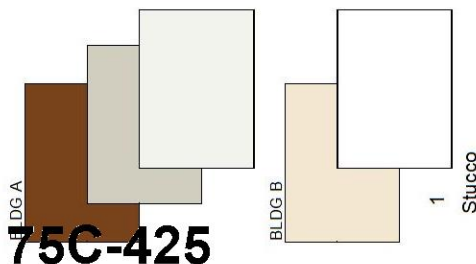
Material Legend

1. Stucco
2. Brick Veneer
3. Decorative Panels
4. Foam Trim & Corbels
5. Glass Railing
6. Metal Railing
7. Storefront Glazing
8. Metal Trellis
9. Metal Awning
10. Precast Wainscot
11. Artwork/Mural TBD
12. Decorative Juliet Balconies
13. Painted Concrete (Not shown. See A2.1)
14. Woven Mesh Screen (Not shown. See A2.1)
15. Landscape Buffer (See Landscape Drawings) (Not shown. See A2.1)
16. Flat Concrete Tile Roof (Not shown. See A2.2)
17. Gateway Architectural Feature



Key Elevation - Building 'A' South Elevation

75C-425



Note: All materials and colors subject to change.

Architecture + Planning
888.456.3949
ktpg.com



4TH & MORTIMER
SANTA ANA, CA # 2017-0924

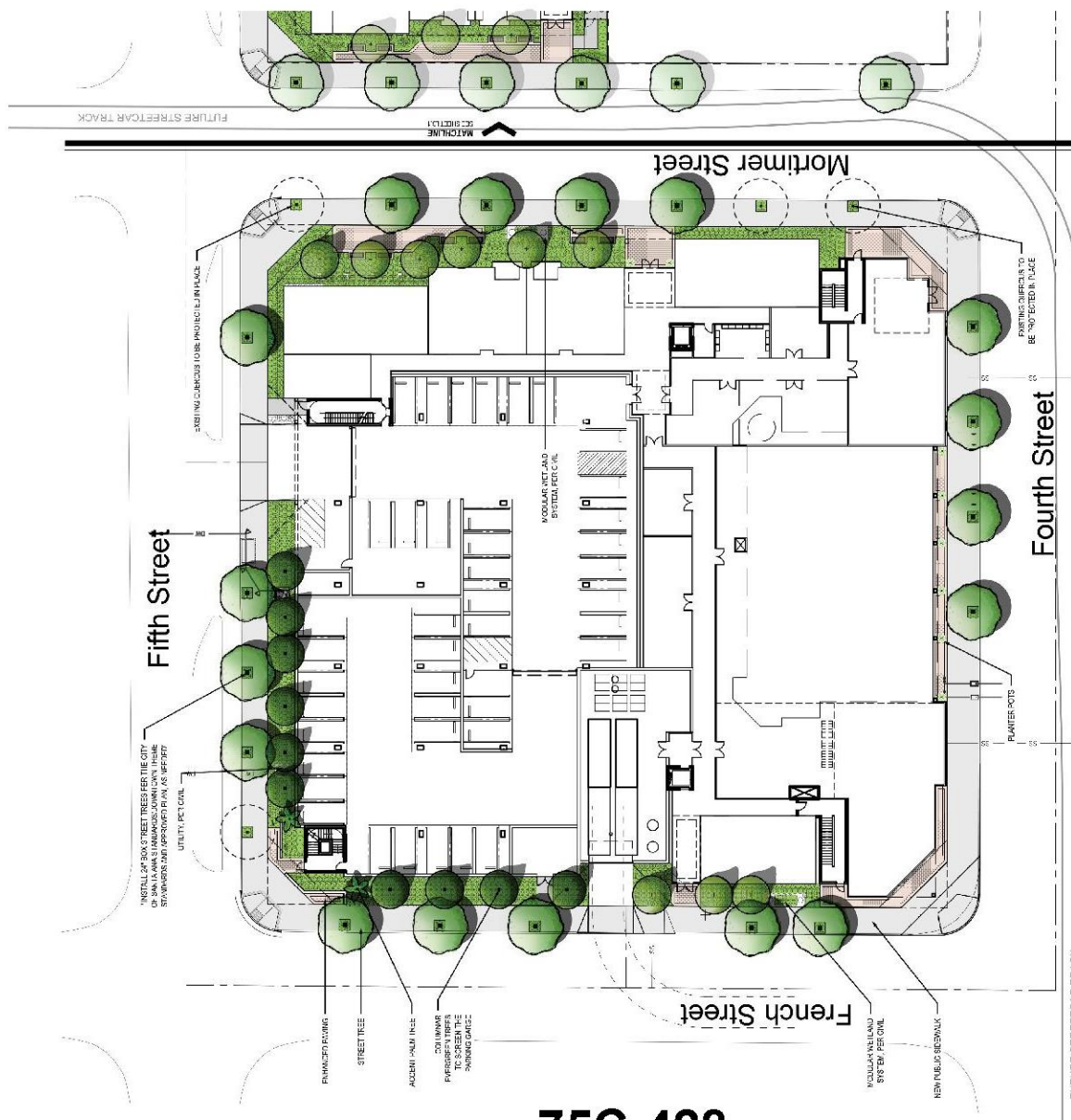
DEVELOPMENT PROJECT
REVIEW PACKAGE
APRIL 6, 2020








COLOR AND MATERIAL BOARD

A7.0

EXHIBIT 11
75C-426



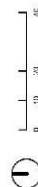
| TREE LEGEND | | | | |
|---|---|------|---------------|--------------|
| SYMB | PLANT NAME | QTY. | BOX SIZE | MAT. SIZE |
| PALM TREES: | | | | |
|  | PHOENIX DACTYLIFERA DATE PALM | 02 | 20' 31H | 50H 18S |
| | ARCHONOTOP. ICKINX CUNNINGHAMIA (KING PALM) | 18 | 18' 10H | 30H 10S |
| | CHAMEDORUS HUMILIS MEDITERRANEAN FAN PALM | 17 | 12-24' 31H | 12-24' 6S |
| LARGE TREES: | | | | |
|  | MACADAMIA GRANDIFLORA SOUTHERN MAGNOLIA | 10 | 24' 30H | 40H 25S |
| | PINUS IT. DAVIDA ELDMANIA (PINE) | 24 | 24' 30H | 50H 25S |
| | HYDANGARBUS GUAICHON FERN PINF | 40H | 30X 22S | 20S |
| SMALL/MEDIUM TREES: | | | | |
|  | ARBUTUS MARINA STRAWBERRY TREE | 09 | 24' 30X | 19-4' 10S |
| | LIP. OSLERUM CONFERTUS BIRCHMIR TOX | 24 | 24H 10X | 25H 10S |
| ACCENT TREES: | | | | |
|  | GERDOLIA X RESERT. WISELM DESER. MUSEUM PALO VERDE | 00 | 30" 24H | 30H 22S |
| | QUER. EUROPAEA PAULI. LESS COVEE | 24 | 25H 30X | 22S |
| CITY OF SANTA ANTE TREES: | | | | |
|  | FRAXINUS VITULINA MOIST STO MULLES TO ASH | 17 | 24' 30X | 40H 25S |
| | MACADAMIA GRANDIFLORA SOUTHERN MAGNOLIA | 24 | 24H 30X | 40H 25S |
| | QUERCUS AGROFOLIA COAST LINE OAK | 24 | 24' 30X | 50H 25S |

| CONCEPTUAL PLANT LIST | | | |
|-----------------------------------|--|--|--|
| SYM | BOTANICAL NAME COMMON NAME | SIZE | |
| SCREEN PLANTING | | | |
| + | EMULSION 'W' 'M' 'P' 'MS' KARR ALPINE KARR BAMBOO PODCARPUS 'N' ONYX FEE BLUE YELLOWWOOD | 5 GAL 15 GAL | |
| FOUNDATION PLANTING | | | |
| ⊗ | CALAMAGOSTIS X ACUTIFLORA KARI FERTSTER GRASS L. CUSTUM JEQUIMUM TEXANUM WALL EYE FLORET PITTOSPORUM TORBEN ARIESTRA VANDERBILT MUCK CHANGE SALPA SITI SAGE | 5 GAL 5 GAL 5 GAL 5 GAL 5 GAL 5 GAL | |
| MID-STEP PLANTING | | | |
| ⊗ | AGAVE DESMETIANA S/POONTH AGAVE S/PLANTING AGAVE AUTUMN GLOW MILEY LUSSEN SAGE INDIAN HORN | 5 GAL 5 GAL 5 GAL 5 GAL 5 GAL | |
| ACCENT PLANTING | | | |
| ⊗ | AGAVE TULIC BLOVE BLUE GLOW AGAVE ALOE STRATA CORAL A C DRAGON TREE DRAGON TREE ECHOINOCATUS ORSONII GOLDEN BARREL CACTUS LAVANDULA ANGUSTIFOLIA LAYNETT SP STREET 177A RIGINA BIRD OF PARADISE | 5 GAL 5 GAL 5 GAL 15 GAL 5 GAL 5 GAL 5 GAL | |
| LOW PLANTING / GROUNDCOVER | | | |
| ⊗ | DIANELLA SP. F. JALLY SEDUM SPP. STONECROP SINERIS MANDRAUCAE BLUE CHALK STICKS | 5 GAL 1 GAL 1 GAL | |
| MODULAR VETILAND PLANTING | | | |
| + | LEWIS CLIMENS CACTUS KARI WILD RYE NULDERGUS CAPILLARIS PINK MUFF M GRASS | 5 GAL 1 GAL | |

PEDESTRIAN EXPERIENCE NARRATIVE

GENERAL NOTE

PERIPHERAL NOTE
THE PAPER, LITERATURE, AND ARTICLES AND OPINIONS STATED HEREIN DO NOT CONSTITUTE AN ENDORSEMENT BY THE FBI. THEY ARE MERELY THE VIEWS OF AN INDIVIDUAL AGENCY.



SCHEMATIC DESIGN
MARCH 30, 2020

4TH & MORTIMER
SANTA ANA, CA # 2017-0934

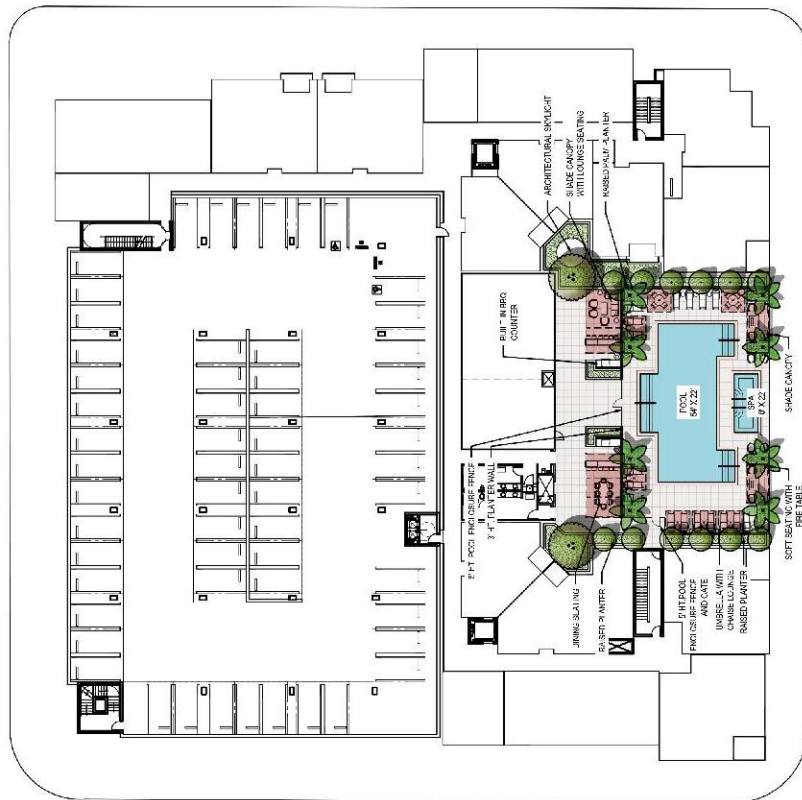
LandStudio 380
Landscape Architecture

RED OAK
INVESTMENTS

LANDSCAPE PLAN - BLOCK A
GROUND FLOOR

L2.1






Fifth Street (Below)



Fourth Street (Below)

Mortimer Street (Below)



| TREE LEGEND | | | | | | |
|---|---|------|-----|-----------|-----------|--|
| SYM. | PLANT NAME | QTY. | BOX | WAT. SIZE | MAT. SIZE | |
| PALM TREES: | | | | | | |
|  | PACIFIC DACTYL (FERA) DATE PALM | 03 | 20' | 50H | WS | |
| | ARCHITOP (DOKN) CONING-AMANG (RANG PALM) | | 10' | 35H | WS | |
| | CHAMBERS HUMILI MEDIORANG PALM | | 10' | 35H | WS | |
| | CHAMBERS HUMILI MEDIORANG PALM | | 10' | 35H | WS | |
| LARGE TREES: | | | | | | |
|  | MACAOIA GRANDIFLORA SOUTHERN MAGNOLIA | 03 | 24' | 40H | WS | |
| | PALIST (DABICA) ELUNGLA FINE | | 24' | 50H | WS | |
| | YOLCANGUS GRACULUX FERA FINE | | 24' | 40H | WS | |
| SMALL TREES: | | | | | | |
|  | ARBITUS MARNA STRAWBERRY TREE | 12 | 24' | 10-4 | | |
| | LOW-HOSTACON CONFERLUS IRISANT DOK | | 24' | 25H | WS | |
| ACCENT TREES: | | | | | | |
|  | PERCULUM X REBET WUSELIF DESERT NALSEUM PALO VERDE | 02 | 24' | 25H | WS | |
| | OLEA EUROPEA PALO LESS CURE | | 24' | 25H | WS | |
| CITY OF SANTA ANA STREET TREES: | | | | | | |
|  | FRAXINUS VTI ULTIMA MCGT STO MCHUSIO ASH | 03 | 24' | 40H | WS | |
| | MACAOIA GRANDIFLORA SOUTHERN MAGNOLIA | | 24' | 40H | WS | |
| | QUERCUS AGRIOLIA QUEST LIVE OAK | | 24' | 50H | WS | |

| CONCEPTUAL PLANT LIST | | |
|------------------------------|---|--|
| SYMB | BOTANICAL NAME COMMON NAME | SIZE |
| SCREEN PLANTING | | |
| ⊙ | RAUBERLIA M. 'MILK-PINK' K&R ALP-HORSE K&R BAMBOO PODOCARPUS 'KONIAL' REE SEE YELLOWWOOD | 5 GAL 15 GAL |
| FOUNDATION PLANTING | | |
| | CAL MAGNOLIA'S X ACUTILELOBA K&R F&EISTER GRASS LOUSTOUN J&E-UNION TEXANUM WAX F&E FROET PITTOSPORUM TORBIA V&S&C&R V&B&E G&E M&C&K CHANCE | 5 GAL 5 GAL 5 GAL 5 GAL 5 GAL |
| | S&M&A S&T SAGE | 5 GAL |
| MID-STRY PLANTING | | |
| | AGAVE DESMETTIANA S&C OOTH AGAVE P&L&A&S&G&A L&N&P&H&S&R AUTUMN B&C W&M J&L Y P&R&F&S&C&A A&T&R&P J&D I&J Y I&U&S&S&A&N S&G&E | 5 GAL 5 GAL 5 GAL 5 GAL 5 GAL |
| | D&H&M&O&L&E&R I&N&U&L&C&A C&A&V&A M&E&R&A H&W&F&O&R&N | 5 GAL |
| ACCENT PLANTING | | |
| | AGAVE T&U&C 'GLOVE' BLUE GLOW AGAVE ALOE STR&T&A C&O&M A C DRAC&T&A DR&C&O DRAC&O&N T&R&E ECHINOCA&T&L&S O&R&S&O&N G&O&L&D&E&N B&U&R&E&L C&A&T&U&S L&A&N&O&U&L&A A&N&G&U&S&T F&O&L&I&A I&A&V&N&T&R&E S&P&P S&P&T&I&T&Z&A R&P&G&M&A B&R&O&F O&F P&A&R&O&D&S&E | 5 GAL 5 GAL 5 GAL 15 GAL 5 GAL 5 GAL 5 GAL |
| LOW PLANTING: GROUNDCOVER | | |
| ⊙ | D&M&E&L&L&A S&P&P P&A&O&L&L Y S&L&O&U&M S&P&P S&T&O&N&E&D&R S&E&N&E&D&O M&A&G&I&S&A&L&S&C&A&E B&L&U&E C&H&A&K S&O&A&S | 5 GAL 1 GAL 1 GAL 1 GAL |
| MODULAR W&T&L&A&N&D PLANTING | | |
| ⊕ | LE&Y&M&S C&O&N&S&E&N&S&U&S G&I&A&N&T W&I&L&D R&Y&E W&I&L&D&O&U&S&A C&H&A&P&A&R&I&S P&W&K W&U&L&Y B&R&A&S&S | 5 GAL 1 GAL |

GENERAL NOTE

[illegible]



CONCEPTUAL TREE IMAGERY



"FERNANDUS LUTERNA NUBESIO" - CITY STREET TREE



"MAGNOLIA GRANDIFLORA" - SAMUEL JOHNSON - CITY STREET TREE



"QUERCUS AGRIFFOLIA" - CITY STREET TREE



CONCEPTUAL SHRUB AND GROUND COVER IMAGERY



75C-431



PLANTING NOTES

1. ALL LANDSCAPE PLANTING IMPROVEMENTS SHALL FOLLOW THE CITY OF SANTA ANA AND COUNTY OF ORANGE GUIDELINES.
2. THE SELECTION OF PLANT MATERIAL IS BASED ON CULTURAL, AESTHETIC, ZONING DESIGN STANDARD, WATER EFFICIENCY, AND MAINTENANCE CONSIDERATIONS.
3. ALL PLANTING AREAS SHALL BE PREPARED WITH APPROPRIATE SOIL AMENDMENTS, FERTILIZERS, AND REPORT FROM A SAMPLE TAKEN FROM THE PROJECT SITE.
4. GROUND COVERS OR BARK MULCH SHALL FILL IN BETWEEN THE SHRUBS TO SHIELD THE SOIL FROM THE SUN, EMIT TRANSPARATION AND RUNOFF ALL SHRUB BEDS SHALL BE MULCHED TO A 3" DEPTH TO HELP CONSERVE WATER, LOWER THE SOIL TEMPERATURE, AND REDUCE WEED GROWTH.
5. TREES AND SHRUBS SHALL BE ALLOWED TO GROW TO THEIR NATURAL FORMS.
6. FINAL LANDSCAPE PLANS SHALL ACCURATELY SHOW PLACEMENT OF TREES, SHRUBS, AND GROUND COVERS.
7. ALL REQUIRED LANDSCAPE PLANTING AREAS SHALL BE MAINTAINED BY OWNER PER THE CITY'S REQUIREMENTS.
8. THE LANDSCAPE ARCHITECT SHALL BE AWARE OF UTILITY, SEWER, AND STORM DRAINAGE SYSTEMS AND PLACE PLANTINGS ACCORDINGLY.

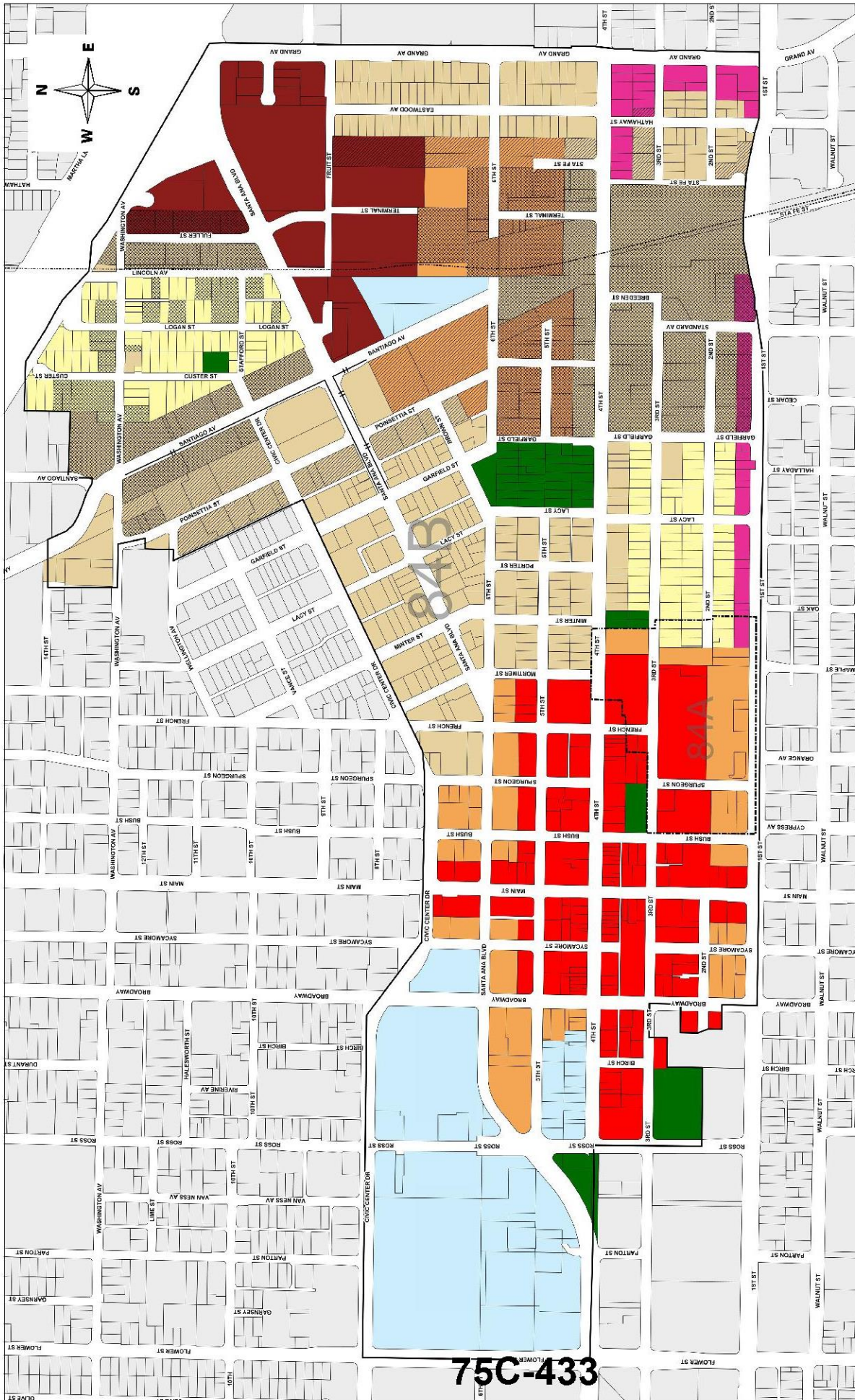
IRRIGATION NOTES

1. ALL IRRIGATION IMPROVEMENTS SHALL FOLLOW WATER EFFICIENCY ORDINANCE AB 1801, AND THE CITY OF SANTA ANA AND COUNTY OF ORANGE GUIDELINES.
2. AN AUTOMATIC IRRIGATION SYSTEM SHALL BE INSTALLED FOR ALL REQUIRED LANDSCAPE PLANTING AREAS. SHOW THE PLAN LOW VOLUME EQUIPMENT SHALL PROVIDE SUFFICIENT WATER FOR PLANT GROWTH WITH A MINIMUM WATER LOSS DUE TO WATER RUN-OFF. IRRIGATION SYSTEMS SHALL USE HIGH-QUALITY AUTOMATIC CONTROL VALVES, CONTROLLERS, AND OTHER NECESSARY IRRIGATION EQUIPMENT. ALL COMPONENTS SHALL BE OF QUALITY. THE IRRIGATION SYSTEM SHALL BE ACCURATELY FILTERED AND REGULATED PER THE MANUFACTURER'S RECOMMENDED DESIGN PARAMETERS.
3. THE IRRIGATION SYSTEM SHALL UTILIZE DRIP IRRIGATION. HIGH EFFICIENCY SPRAY HEADS, AND/OR BUBBLERS. THE SYSTEM CONTROLS SHALL BE SELF-ADJUSTING VIA ON SITE WEATHER DATA AND HISTORICAL WEATHER DATA. THE SYSTEM SHALL BE DESIGNED FOR DEDICATED HYDROZONES BASED ON PLANT WATER REQUIREMENTS AND IRRIGATION EFFICIENCY.
4. THE DESIGN OF THE IRRIGATION SYSTEM SHALL BE DESIGNED BY A QUALIFIED IRRIGATION ENGINEER, WATER, A WEATHER-BASED CONTROLLER, AND BE DESIGNED BY AN EPA WATER SENSE PARTNER.
5. THE IRRIGATION PRODUCTS SELECTED SHALL COME FROM COMMERCIAL GRADE IRRIGATION MANUFACTURING COMPANIES WITH OUTSTANDING TECHNICAL SUPPORT, INCLUDING RAINBIRD AND HANMER.
6. THE IRRIGATION COMPONENTS TOGETHER SHALL PROVIDE AN IRRIGATION EFFICIENCY RATING EQUAL TO OR GREATER THAN 80%.
7. ESTIMATED WATER USAGE CALCULATIONS, SCHEDULES, AND POINT OF CONNECTION WATER PRESSURE CALCULATIONS SHALL BE MADE AVAILABLE AT THE PERMIT SUBMITTAL PHASE. ALL CALCULATIONS AND ANALYSIS SHALL BE DERIVED FROM CALIFORNIA ASSEMBLY BILL 1801.



L4.1

EXHIBIT 12
75C-432



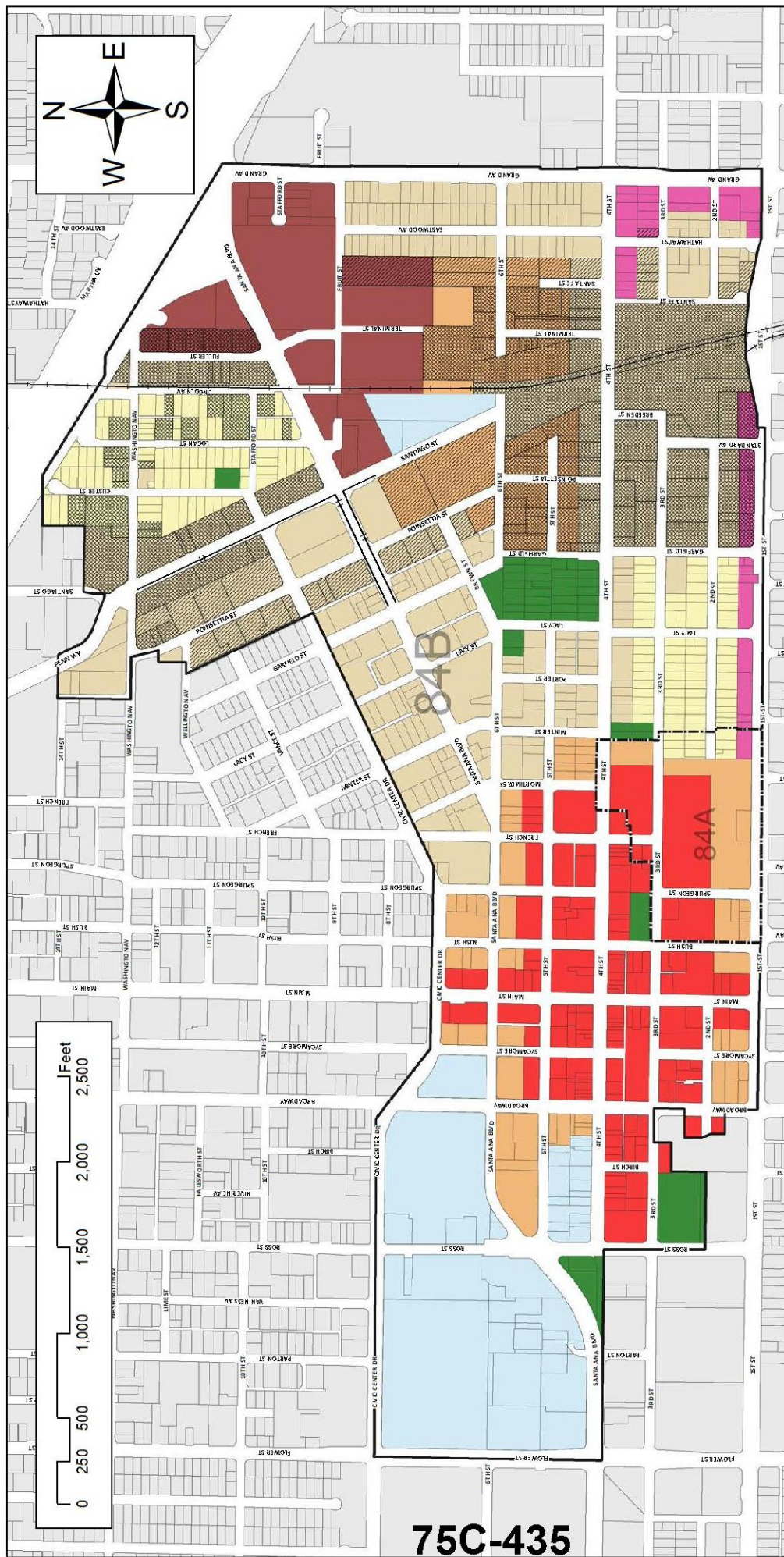
Transit Zoning Code SD-84A and SD-84B

Proposed Zoning Designations

Generated by the City of Santa Ana GIS
May 24, 2010

| | |
|---|---|
| <p>Corridor (CDR)</p> <p> Corridor (CDR)</p> <p> Downtown (DT)</p> <p> Government Center (GC)</p> <p> Open Space (OS)</p> <p> Transit Village (TV)</p> | <p>Urban Center (UC)</p> <p> Urban Center (UC)</p> <p> Urban Neighborhood (UN-1)</p> <p> Urban Neighborhood (UN-2)</p> <p> Industrial Overlay M-1 (OZ)</p> <p> Industrial Overlay M-2 (OZ)</p> <p> SD-84 A & SD-84B</p> |
|---|---|

EXHIBIT 13
75C-434



Transit Zoning Code SD-84A and SD-84B

Proposed Zoning Designations

EXHIBIT 14
75C-436

Conformance to Development and Parking Standards

| Required by the Transit Zoning Code | Provided |
|--|--|
| Lined Block Building Type Height (Table DT-1): 1. Minimum - 2 stories 2. Maximum - 10 Stories Lined Block Building Type Height (Table UC-1): 1. Minimum - 2 stories 2. Maximum - 5 Stories | Site A: 5 to 7 Stories Site B: 5 Stories |
| Parking Driveway Width (Table DT-5): 2-Way Driveway: 20'0" minimum and 25'0" maximum. Parking Driveway Width (Table UC-4): 2-Way Driveway: 20'0" minimum and 25'0" maximum. | 2-Way Driveway: Project's driveway width varies from 20'0" to 25'0". |
| Parking (Table DT-6): 1. Standard: 2 stalls per unit minimum and 0.15 stalls per unit guest, and 1/400 square feet of commercial space. ○ Results in 213 residential and 28 commercial parking spaces required (241 total) Parking (Table UC-5): 1. Standard: 2 stalls per unit minimum and 0.15 stalls per unit guest, and 1/300 square feet of commercial space. ○ Results in 151 residential parking spaces required | The overall parking proposed for the project is 422 spaces, including 394 residential stalls and 28 commercial visitor stalls. This is surplus of 30 parking spaces above the total required of 392 spaces. The proposed residential parking provides a ratio of 2.3 parking spaces per residential unit. |
| Setbacks (Table DT-2): 1. Front Yard – 0'0" min, 0'0" max 2. Street Side – 0'0" min, 10'0" max 3. Side Yard – 0'0" min, no max 4. Rear Yard – 15'0" min, no max 5. Alley Yard – 3'0" min, no max Setbacks (Table UC-2): 1. Front Yard – 0'0" min, 0'0" max 2. Street Side – 0'0" min, 10'0" max 3. Side Yard – 0'0" min, no max 4. Rear Yard – 15'0" min, no max | Site A: Complies; 1. Front Yard – 0'0" 2. Side Yards – 3'-7" – 22'-5" (max) Site B: 1. Front Yard – 0'0" 2. Side Yards – 2'-6" – 15'-8" (max) |
| Frontage Type (Table DT-4): 1. Arcade – Min 50% of Frontage 2. Gallery – Min 50% of Frontage 3. Shopfront – Min 75% of Frontage 4. Forecourt – Max 50% of Frontage (remainder of frontage per permitted types) Frontage Type (Table UC-): 1. Shopfront – Min 65% of Frontage 2. Forecourt – Max 50% of Frontage (remainder of frontage per permitted types) 3. Stoop – Max 50% of Frontage | Site A: 4 th Street: 100% Shopfront, Site B: 4 th Street: 50% Forecourt 4 th Street: 25% Stoop |
| Building Types Allowed (Table BT-1): Flex Block, Lined Block, Stacked Dwellings, Courtyard Housing, Live-Work, Tuck Under | Lined Block |
| Lined Block Width and Depth (Table BT-1): 1. Width – Min 125'0" and Max 300'0" 2. Depth – Minimum 100'0" | Site A: 1. Width – 242'0" 2. Depth – 243'0" |

| Required by the Transit Zoning Code | Provided |
|---|--|
| | Site B: 1. Width – 185'-0" - 236'0" 2. Depth – 241'0" |
| Lined Block Access Standards (Sec. 41-2023): 1. The main entrance to each ground floor shall be directly from the street. 2. Entrance to residential portions of the building shall be through a dedicated street level lobby, or through a dedicated podium lobby accessible from the street of through a side yard. 3. Access to each unit above the second level, not accessed through a podium, shall be through an interior corridor of at least 6'0" with recessed doors or seating alcoves/offsets at least every 100'0". 4. Each level of the building shall have access to the garage via an elevator. | All requirements met and shown in plan sheets. |
| Lined Block Parking Standards (Sec. 41-2023): 1. All parking shall be in an underground or above-ground garage, tuck under parking, or combination thereof. 2. Dwellings shall have indirect access to their parking stall(s). | The buildings provide parking via an above-ground garage. All dwellings will have indirect access to parking stalls. |
| Lined Block Open Space Standards (Sec. 41-2023): 1. The common open space shall be designated as a courtyard, or in the front as a forecourt. This area shall be equal to 15% of the lot and shall be open to the sky. 2. Minimum courtyard width of 20'0" when running EW and 15'0" when running NS. 3. 20'0" wide courts only permit architectural projections on two opposing sides. 4. Private open space for each dwelling unit and no less than 50 SF and not less than 6'0" in each direction. 5. Private open space can be substituted for common open space or common interior space at an equivalent square footage. The minimum dimension of this space shall be 15'0" in each direction. | Site A & Site B: 1. Required (Common + Private): 26,190 SF 2. Provided (Common + Private): 39,838 SF All requirements met and shown in plan sheets. |
| Lined Block Landscape Standards (Sec. 41-2023): 1. If a front yard is present, one 24" box tree per 25'0" lineal feet shall be provided. 2. Six (6) 5-gallon shrubs and ten (10) 1-gallon size shrubs or ground cover per required tree. 3. Courtyards located above garages shall avoid the sensation of forced podium hardscape. 4. Trees in the front yard may not exceed 12-15' in height at maturity and must be suitable for built in concrete planters or containers with a 36-inch width. 5. One 36" box tree is required per courtyard that meets the minimum dimensions. For courtyards that exceed minimum dimensions, two or more 24-inch box small size trees may be substituted. 6. If a rear yard is present, at least one (1) 36" box tree per 30'0" lineal feet shall be planted. 7. If a side yard is present, at least one (1) 24" box tree per 30'0" lineal feet shall be provided. | 1. Complies 2. Complies 3. Complies 4. Complies 5. Complies 6. Complies 7. Complies |

| Required by the Transit Zoning Code | Provided |
|--|---|
| Lined Block Frontage Standards (Sec. 41-2023): Entry door oriented to street/courtyard when fronting to one. Service rooms-oriented backing to corridors. | All requirements met and shown in plan sheets. |
| Building Size and Massing Standards (Sec. 41-2023): 1-4 (<i>Standards Noted and Met</i>) 5. Max Height Ratios: a. Ground Floor – 100% b. Level 2 – 100% c. Level 3-5 – 85% d. Level 6 – 85% | Building Height Ratios: Site A: 1. Ground Floor – 100% 2. Level 2 – 49% 3. Level 3 – 81% 4. Level 4 – 81% 5. Level 5 – 81% 6. Level 6 – 63% 7. Level 7 – 60% Site B: – Approval of a Variance Required for an increase in allowable building size and massing 1. Ground Floor – 100% 2. Level 2 – 100% 3. Level 3-5 – 100% |

EXHIBIT 15
75C-440

SPR No. 2020-02 & AA No. 2020-04, "4th and Mortimer Mixed-Use Development"

409 and 509 East Fourth Street

The 2020 EIR Addendum and Technical Appendices are available online at:

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

Exhibit 15 – 2020 EIR Addendum and Technical Appendices

75C-441

EXHIBIT 16
75C-442

SPR No. 2020-02 & AA No. 2020-04, “4th and Mortimer Mixed-Use Development”

409 and 509 East Fourth Street

The 2010 Transit Zoning Code EIR and Technical Appendices are available online at:

<https://www.santa-ana.org/transit-zoning-code-environmental-impact-report>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

Exhibit 16 – 2010 Transit Zoning Code EIR

75C-443

EXHIBIT 17
75C-444

June 3, 2020

Via Electronic Mail

Richard M. Gollis, Principal
THE CONCORD GROUP
369 San Miguel Drive, Suite 265
Newport Beach, CA 92660

DEVELOPMENT FISCAL IMPACT ANALYSIS
4TH + MORTIMER MIXED-USE PROJECT, DOWNTOWN SANTA ANA

Dear Mr. Gollis:

RSG, Inc. ("RSG") was retained by The Concord Group ("TCG") to perform a fiscal and economic impact analysis for the development of a proposed mixed-use apartment and retail project ("Project") in downtown Santa Ana, California. TCG obtained this analysis on behalf of the property owner/developer, Red Oak Investments ("Developer"), which recently submitted an application for redevelopment of the subject property with the City of Santa Ana's ("City") Planning and Building Services Department.

The Project site sits along 4th street covering two blocks divided by Mortimer Street for a total Project area of 2.72 acres. If approved, the Project would consist of one mixed-used building and one residential building, each on their own block. Currently, Northgate Market sits within the proposed development site, and an automotive repair shop sits adjacent to it.

This letter describes our analysis, methodology, and anticipated recurring fiscal impacts resulting from development of the Project. As is typical at this stage, our conclusions could evolve as the application moves forward through the design and environmental review process.

As is consistent with other Downtown Santa Ana projects analyzed by RSG, the construction period was assumed to be over three years. Part of the work would begin in 2021 (36 percent), with a majority taking place in 2022 (51 percent), leading to the remainder in 2023 (13 percent). The Project would open in the third construction year. Fiscal impacts from that year are reduced to reflect a partial year. RSG anticipates the following fiscal outcomes over a 25-year forecast period:

- \$2.9 million (net present value, discounted at 4 percent) in net new property tax revenues to the City General Fund.
- A combined \$2 million in sales taxes that includes \$1 million from the City's base rate, and \$987,230 from the City's Measure X additional tax rate inclusive of the sunset date (net present value, discounted at 4 percent).
- A total of \$7.8 million (net present value, discounted at 4 percent) in additional City General Fund revenue, including construction period revenues, recurring site-specific tax, and other Project impacts.
- Over the same 25-year period, the City General Fund expenditures associated with the Project total \$2.4 million (net present value, discounted at 4 percent)

As a result, the net new General Fund revenue (revenues less expenditures) is projected to be approximately **\$5.4 million** (net present value, discounted at 4 percent) if the Project were developed as proposed.

Table 1 summarizes the 25-year fiscal impact of the Project. Table 2 provides the corresponding forecast of the same impacts on the following page.

| Table 1 | | |
|---|----------------------|---------------------|
| NET NEW RECURRING GENERAL FUND FISCAL IMPACTS | | |
| 4th and Mortimer | | |
| Revenue Category | 25-Year Recurring | |
| | Nominal | NPV 4.0% |
| Property Tax | \$ 5,373,270 | \$ 2,993,993 |
| Property Tax In-Lieu | 3,739,484 | 2,086,226 |
| Sales Tax | 1,913,260 | 1,019,241 |
| Measure X (2018) Sales Tax Increase | 1,522,027 | 987,230 |
| Utility User Tax | 938,109 | 499,754 |
| Business Tax | 313,235 | 166,868 |
| Total Revenues | \$ 13,799,385 | \$ 7,753,312 |
| Less City Expenditures | \$ (4,495,985) | \$(2,390,794) |
| NET NEW REVENUE TOTAL | \$ 9,303,400 | \$ 5,362,518 |
| Sources: City of Santa Ana, County of Orange, California State Board of Equalization, ESRI Business Analyst Online, and RSG, Inc. | | |

Table 2

25-YEAR NET NEW RECURRING FISCAL IMPACT PROJECTIONS

4th and Mortimer

| Year | Net New | | Property Tax In-Lieu | Sales Tax | Measure X (2018) | | Utility User Tax | Business Tax | Gross Revenue | City Expenditures | Net New Total |
|-------|--------------|--------------|-------------------------|-----------|---------------------|-----------|---------------------|-----------------|------------------|----------------------|------------------|
| | Property Tax | Property Tax | | | Additional | Sales Tax | | | | | |
| CY1 | 2021 | \$ | 46,380 | \$ | 37,711 | \$ | - | \$ | - | \$ | 84,091 |
| CY2 | 2022 | \$ | 132,074 | \$ | 92,738 | \$ | - | \$ | - | \$ | 224,812 |
| CY3 | 2023 | \$ | 154,282 | \$ | 107,186 | \$ | 49,627 | \$ | 8,125 | \$ | 313,208 |
| 1 | 2024 | \$ | 157,368 | \$ | 109,329 | \$ | 51,115 | \$ | 8,369 | \$ | 307,476 |
| 2 | 2025 | \$ | 160,515 | \$ | 111,516 | \$ | 52,649 | \$ | 8,620 | \$ | 314,033 |
| 3 | 2026 | \$ | 163,725 | \$ | 113,746 | \$ | 54,228 | \$ | 8,878 | \$ | 320,734 |
| 4 | 2027 | \$ | 167,000 | \$ | 116,021 | \$ | 55,855 | \$ | 9,145 | \$ | 327,581 |
| 5 | 2028 | \$ | 170,340 | \$ | 118,342 | \$ | 57,531 | \$ | 9,419 | \$ | 334,578 |
| 6 | 2029 | \$ | 173,747 | \$ | 120,708 | \$ | 59,257 | \$ | 9,701 | \$ | 341,729 |
| 7 | 2030 | \$ | 177,222 | \$ | 123,123 | \$ | 61,035 | \$ | 9,992 | \$ | 340,496 |
| 8 | 2031 | \$ | 180,766 | \$ | 125,585 | \$ | 62,866 | \$ | 10,292 | \$ | 347,707 |
| 9 | 2032 | \$ | 184,381 | \$ | 128,097 | \$ | 64,752 | \$ | 10,601 | \$ | 355,075 |
| 10 | 2033 | \$ | 188,069 | \$ | 130,659 | \$ | 66,694 | \$ | 10,919 | \$ | 362,602 |
| 11 | 2034 | \$ | 191,830 | \$ | 133,272 | \$ | 68,695 | \$ | 11,247 | \$ | 370,293 |
| 12 | 2035 | \$ | 195,667 | \$ | 135,937 | \$ | 70,756 | \$ | 11,584 | \$ | 378,151 |
| 13 | 2036 | \$ | 199,580 | \$ | 138,656 | \$ | 72,878 | \$ | 11,932 | \$ | 386,179 |
| 14 | 2037 | \$ | 203,572 | \$ | 141,429 | \$ | 75,065 | \$ | 12,289 | \$ | 394,382 |
| 15 | 2038 | \$ | 207,643 | \$ | 144,258 | \$ | 77,317 | \$ | 12,658 | \$ | 402,764 |
| 16 | 2039 | \$ | 211,796 | \$ | 147,143 | \$ | 79,636 | \$ | 13,038 | \$ | 411,328 |
| 17 | 2040 | \$ | 216,032 | \$ | 150,086 | \$ | 82,025 | \$ | 13,429 | \$ | 419,273 |
| 18 | 2041 | \$ | 220,353 | \$ | 153,087 | \$ | 84,486 | \$ | 13,832 | \$ | 427,218 |
| 19 | 2042 | \$ | 224,760 | \$ | 156,149 | \$ | 87,021 | \$ | 14,247 | \$ | 435,170 |
| 20 | 2043 | \$ | 229,255 | \$ | 159,272 | \$ | 89,631 | \$ | 14,674 | \$ | 443,199 |
| 21 | 2044 | \$ | 233,840 | \$ | 162,458 | \$ | 92,320 | \$ | 15,114 | \$ | 451,282 |
| 22 | 2045 | \$ | 238,517 | \$ | 165,707 | \$ | 95,090 | \$ | 15,568 | \$ | 459,365 |
| 23 | 2046 | \$ | 243,287 | \$ | 169,021 | \$ | 97,943 | \$ | 16,035 | \$ | 467,448 |
| 24 | 2047 | \$ | 248,153 | \$ | 172,401 | \$ | 100,881 | \$ | 16,516 | \$ | 475,531 |
| 25 | 2048 | \$ | 253,116 | \$ | 175,849 | \$ | 103,907 | \$ | 17,011 | \$ | 483,614 |
| TOTAL | | \$ | 5,373,270 | \$ | 3,739,484 | \$ | 1,913,260 | \$ | 1,522,027 | \$ | 9,303,400 |
| NPV | 4.00% | \$ | 2,993,993 | \$ | 2,086,226 | \$ | 1,019,241 | \$ | 775,312 | \$ | 5,362,518 |

Inflation Rate

2.0%

2.0%

3.0%

3.0%

3.0%

3.0%

3.0%

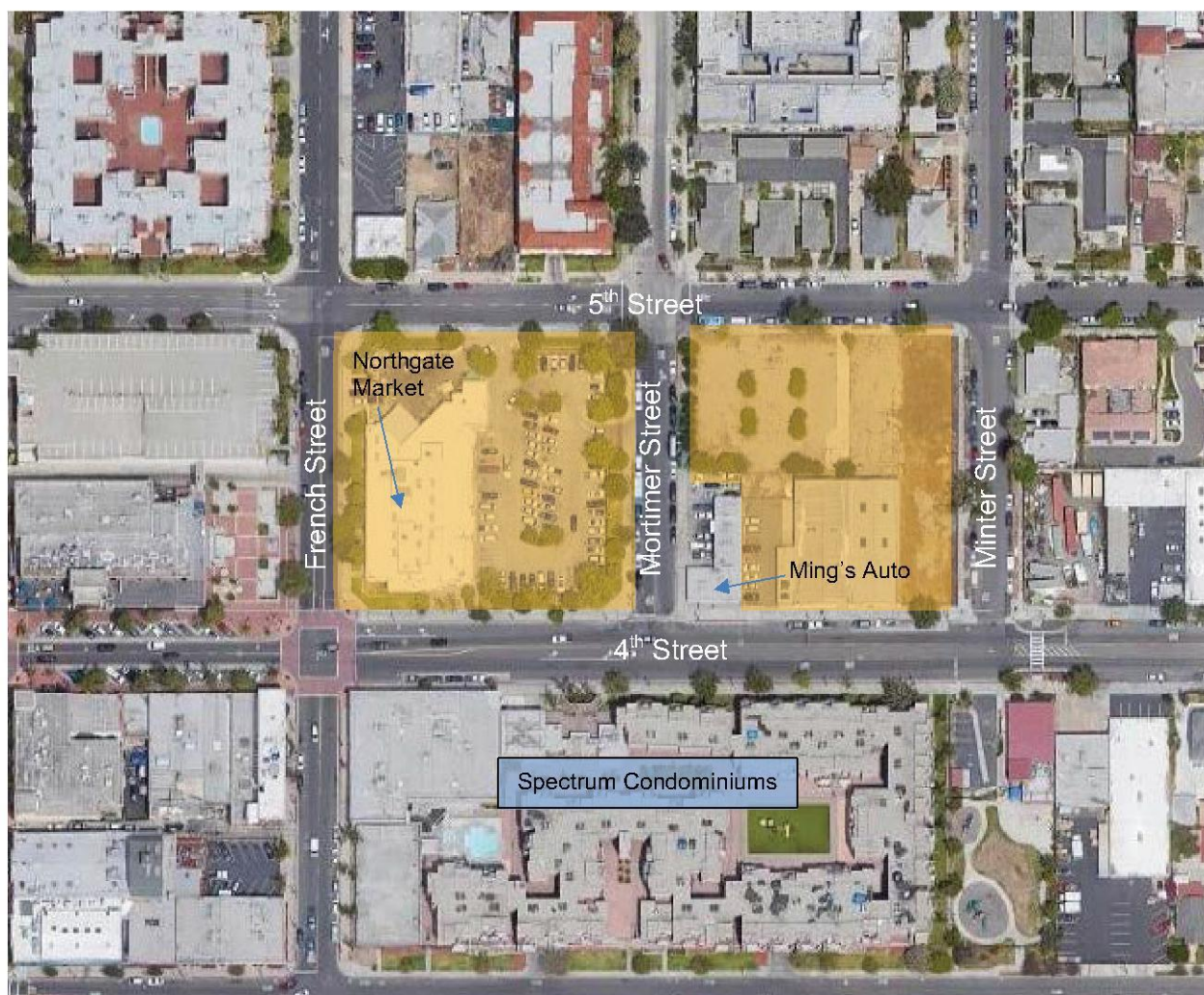
3.0%

PROJECT DESCRIPTION

The Project site is located on the 400 and 500 blocks of East 4th Street (also known as Calle Quatro), between French and Minter Streets, in the East End District of Downtown Santa Ana. Downtown Santa Ana is a vibrant, historic destination for locals and visitors to the City, known as a center of commerce and culture for the Latinx community, arts and entertainment, and historic buildings repurposed for contemporary use. Two business improvement districts overlay “DTSA,” Downtown Inc and the Santa Ana Business Council. Within them are the renowned Yost Theater, Frida Cinema, 4th Street Market, and part of the project site. Across 4th Street from the Project site is The Spectrum Condominiums, a four-story residential complex over ground floor parking (five-stories).

Figure 1 shows the location of the Project Site

Figure 1: Project Site



Source: Google Maps

The Project site consists of 10 parcels on the two blocks, separated by Mortimer Street. Excluded from the Project site is a 2,887 square foot parcel currently used as an automotive repair shop (Ming's Auto).

As shown in Figure 2, the 252,368 square foot (gross building area) Project would result in the demolition of the existing improvements and construction featuring 169 market rate multifamily units, 11,361 square feet of ground floor commercial space, and two parking structures.

On the western 400 block, currently a single parcel occupied by the Northgate Gonzalez Market, the Developer is proposing a seven-story mixed-use building. The seven-story building will include 99 multifamily units, 7,514 square-feet of retail space, 3,847 square-feet of restaurant space, 8,007 square-feet of amenities, leasing, and deck space, and 17,989 square-feet of open space. On the eastern 500 block of 4th Street, the remaining nine parcels would include a five-story residential building and parking structure, with 70 multifamily units and 8,623 square-feet of open space.

Figure 2: Site Plan



Source: KTG Y Group Inc., Red Oak Investments

There are currently 169 residential units planned for construction, the breakdown of which includes 21 studio (12 percent of all units), 38 one-bedroom (22 percent), 66 two-bedroom (39 percent), 9 three-bedroom (5 percent), and 35 four-bedroom (21 percent) units. Based on occupancy rates from prior projects, RSG estimates 153 units will be occupied at any given time.

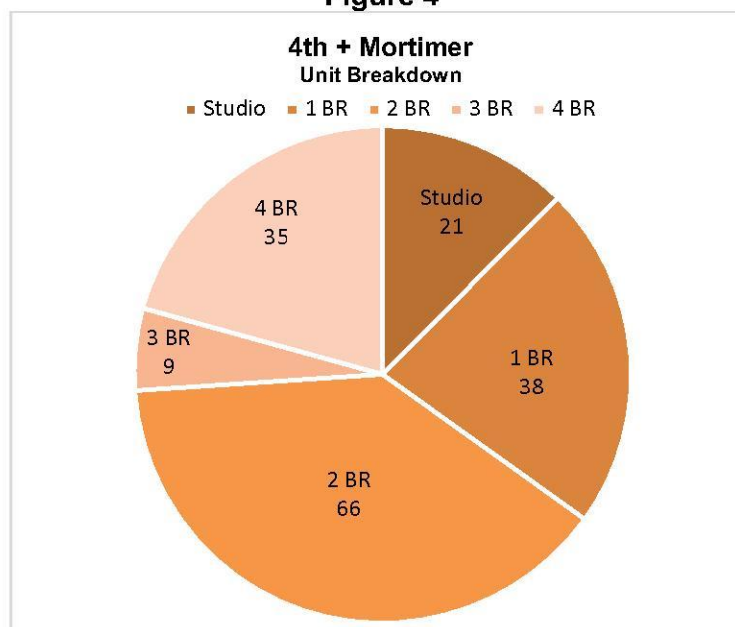
Figure 3 presents a rendering of the project as currently proposed:

Figure 3



Figure 4 exhibits the unit mix.

Figure 4



Source: KTG Y Group Inc., Red Oak Investments

RECURRING FISCAL IMPACTS

Property Tax Revenue

All property taxes in the state of California are levied at a rate of 1 percent. The City's share of the 1 percent property tax levy is 19.4%, as provided by the County of Orange ("County") Auditor-Controller. The Developer provided RSG with the Project costs that consisted of \$5 million for land, and \$77 million for hard and soft costs. This \$82 million adjusted for inflation over the construction period, would amount to an assessed valuation of \$86.4 million at buildout. To accurately portray the effect of the Project to the City, property tax revenues presented in this report are net of any existing revenues. The existing site is currently valued at \$6.3 million. When adjusted for inflation over the construction period the value is \$6.9 million, providing the City an estimated \$13,375 in year 2023 absent the construction of the Project. The new development would provide \$167,657 to the City in that same year. Therefore, the net new property tax revenues to the City would be **\$154,282** at buildout.

Table 3

NET NEW PROPERTY TAX REVENUE

4th and Mortimer

At Buildout

| | | |
|--|----|------------|
| Existing Assessed Value | \$ | 6,894,078 |
| Proposed Project Assessed Valuation ¹ | | 86,420,908 |
| Net New Value | \$ | 79,526,830 |

| | |
|------------------------|-------|
| City Property Tax Rate | 19.4% |
|------------------------|-------|

| | |
|--------------------------------------|------------------------|
| | <i>Annual Estimate</i> |
| Existing Property Tax Revenues | \$ 13,375 |
| New Property Tax Revenues | \$ 167,657 |
| Net New Property Tax Revenues | \$ 154,282 |

Source: County of Orange Auditor Controller, RSG, Inc.

¹ Inflated pursuant to the construction schedule

To project future property taxes, RSG assumed 2 percent inflation on property tax revenues over the 25-year projection period, resulting in **\$2.9 million** (net present value, discounted at 4 percent) in net new property tax revenues for the City General Fund.

Property Tax in-lieu of Motor Vehicle License Fee Revenue

Established in 1935, the Motor Vehicle License Fee ("MVLFF") was essentially a tax on vehicle ownership. It is collected by the State annually when vehicles are registered and was historically allocated to cities and counties based upon a statutory formula. In 2004, during the State's budget crisis, about 90 percent of each city's MVLFF revenue was replaced with property tax revenue, and cities in particular began to receive an allocation of property tax from the Educational Revenue Augmentation Fund ("ERAF") in an amount equal to what they would have received in MVLFF under an older MVLFF allocation formula. Under current law, the property tax in-lieu of MVLFF

revenue increases based on assessed value growth in a jurisdiction, so estimated revenues are based on changes in assessed value created by the Project.

Based on the City's 2019-20 secured property tax roll, the total assessed value of all Property in the City is \$26.3 billion. When adjusting for inflation during the construction period, the Project's net new assessed valuation (\$79.5 million) increases the City's assessed value by 0.33 percent. The MVLF increase from the Project is calculated from the percent increase in assessed value. This gives us **\$107,186** in estimated In-Lieu MVLF revenues at build-out (see Table 4). As depicted above, the City is expected to receive **\$2 million** (net present value, discounted at 4 percent) in In-Lieu MVLF revenues through 2047.

Table 4

| PROPERTY TAX IN-LIEU OF MOTOR VEHICLE LICENSE FEES | |
|---|---|
| 4th and Mortimer | |
| 2019-20 City Assessed Value | \$ 26,369,891,977 |
| Project Assessed Value ¹ | 86,420,908 |
| City Assessed Value with Project | 26,456,312,885 |
| | |
| Increase in Assessed Value | 0.33% |
| | |
| Santa Ana 2019-20 VLF | 32,705,877 |
| Santa Ana VLF with Project | 32,813,063 |
| | |
| Property Tax In-lieu Revenue | <i>Annual Estimate</i> \$ 107,186 |

Source: County of Orange Auditor Controller, RSG, Inc.

¹ Inflated pursuant to the construction schedule

Utility User Tax

The City assesses a utility user tax of 5.5 percent on electricity, gas, water, and telephone revenues generated within Santa Ana. Utility costs were estimated by RSG based on a review of similar projects and utility costs in Orange County. Residential utility expenditures were assumed to be: \$104 per month for phone, \$57 for electricity, \$23 for gas, and \$30 for water. This amounts to \$2,890 annually in 2020 dollars. From the Developer's estimates of 3,847 square feet of restaurant and 7,514 square feet of retail, RSG was able to use US Energy Information Administration ("EIA") estimates to extrapolate commercial utility expenses. Retail establishments average around \$1.50 per square foot in energy expenses, while restaurants average \$4.44 per square foot.

Based on these assumptions, RSG estimates that utility user tax revenues generated by the Project, reduced to account for a partial year, will be an estimated **\$24,333** at buildout. This adds up to **\$499,754** (net present value, discounted at 4 percent) over the 25-year projection period (see Table 2).

Table 5 showcases the Utility User Tax at buildout below.

| Table 5 | | |
|---|-----------|---------------|
| UTILITY USER TAX REVENUE | | |
| 4th and Mortimer | | |
| Energy Expenditures per Household | \$ | 2,890 |
| Occupied Households | | 153 |
| Total Residential Energy Expenses | \$ | 441,083 |
| Total Commercial Energy Expenses ¹ | \$ | 67,443 |
| City Tax Rate | | 5.5% |
| Full-Year Buildout Revenues | \$ | 27,969 |
| Partial-Year Buildout Revenues | \$ | 24,333 |

Sources: US Energy Information Administration, RSG, Inc., ESRI BAO

¹EIA estimates of \$1.40 per SF for Retail and \$4.44 for restaurant

Sales Taxes

The Project is expected to increase sales taxes through both the new businesses and new residents. The methodology and assumptions for both differ but are necessary for accuracy.

Resident-Derived Sales Tax

To determine the resident share, RSG obtained average annual household expenditures for households within a 1-mile radius of the Project from ESRI Business Analyst. By adjusting the household expenditures based on taxable and non-taxable sales, RSG estimates that each household would spend an average of \$17,836 at buildout. Based on experience with previous projects in the City, an estimated 65 percent of those expenditures would be subject to Santa Ana's sales tax.

The State and County sales tax receive 6 percent and 0.75 percent of taxable sales, respectively. In addition, the City levies its own sales tax at a rate of 1 percent. In 2018, Santa Ana voters approved an additional sales tax of 1.5 percent that would then decrease to 1 percent in 2029 until expiring in 2039. RSG took this increase into consideration when analyzing the affects the new residents would have on the City's General Fund.

Using ESRI's Business Analyst Online software, RSG was able to estimate the amount of taxable expenditures the average new household would make in the City. RSG then estimated the vacancy rate from Census data, 2.7 percent, to come up with 165 total occupied households. Multiplying the households and the expenditures together produced an estimate of total taxable sales of \$1.9 million. From there, the taxable sales were multiplied by both the City's base tax rate and the Measure X additional rates (1 percent and 1.5 percent). Therefore, the residential derived sales tax revenue from the base tax rate is an estimated **\$17,697** at buildout. The

additional tax from Measure X would yield **\$26,545** at buildout and decrease to **\$21,131** in 2029 (adjusted for 3% inflation) before ceasing in 2039.

Table 6
RESIDENT-DERIVED SALES TAX REVENUE
4th and Mortimer

| | | |
|--|------------------------|---------------|
| Households and Sales at Buildout | | |
| Average Household Taxable Expenditures | \$ | 17,836 |
| Occupied Households | | 153 |
| Percent within Santa Ana | | 65% |
| Total Taxable Sales | \$ | 1,769,689 |
| | | |
| City Share of Sales Tax | | 1% |
| Measure X (2018) Additional Sales Tax ¹ | | 1.5% |
| | | |
| Resident-Derived Sales Tax Revenues | <i>Annual Estimate</i> | |
| (Base Rate) | \$ | 17,697 |
| (2018 Addition) | \$ | 26,545 |
| (2029 Decrease to 1%) | \$ | 21,131 |

Source: ESRI BAO, City of Santa Ana

¹Measure X additional sales tax decreases from 1.5% to 1% in 2029.

Business-Derived Sales Tax

The Project includes 7,514 square feet of retail space and 3,847 square feet of restaurant space. These new businesses will generate sales taxes separate from the new residents. Since the Developer does not yet know the exact tenants that will fill the space, RSG estimated an average of \$300 of sales per square foot for the retail, and \$350 per square foot for the restaurant. As a result, the retail and restaurant businesses will generate taxable sales of \$2.4 million and \$1.4 million at buildout, respectively.

RSG estimates the base sales tax revenues at buildout to be **\$39,345**. Table 7 below presents this information. In addition, Measure X will generate **\$59,018** for that year as well. However, in 2029 Measure X revenues will decrease to **\$36,007** before being eliminated altogether in 2039.

Table 7
BUSINESS-DERIVED SALES TAX REVENUE
4th and Mortimer

| | |
|--|------------------------|
| Sales at Buildout | |
| General Retail | \$ 2,463,225 |
| Restaurant | 1,471,302 |
| | <hr/> |
| | \$ 3,934,527 |
| City Share of Sales Tax | 1% |
| Measure X (2018) Additional Sales Tax ¹ | 1.5% |
| | <hr/> |
| Business-Derived Sales Tax Revenues | <i>Annual Estimate</i> |
| (Base Rate) | \$ 39,345 |
| (2018 Addition) | \$ 59,018 |
| (2029 Decrease to 1%) | \$ 36,007 |

Source: California State Board of Equalization, RSG, Inc.

¹Measure X additional sales tax decreases from 1.5% to 1% in 2029

For the City base rate, combined resident and business sales taxes at buildout would be an estimated \$50,828. Measure X combined taxes would be \$76,242. Both are adjusted for inflation during the construction period and for the partial year at opening. This provides for a 25-year total of \$1.02 million from the base rate and \$987,230 from Measure X.

Business Tax

The City assesses a business tax on retail, restaurant, and residential property management companies. Table 8 below showcases the new revenues from the Project. Retail and restaurant business taxes are assessed based on annual sales while management company business taxes are assessed based on unit count. The combined business tax revenues are an estimated **\$8,125** at buildout, or **\$166,868** over 25 years (net present value, discounted at 4 percent).

Table 8
BUSINESS TAX REVENUES
4th and Mortimer

| | |
|--|-----------------|
| Multifamily Residential Tax | \$ 6,573 |
| Retail Tax | 1,621 |
| Restaurant Tax | 1,145 |
| | <hr/> |
| Full-Year Business Taxes at Buildout | \$ 9,339 |
| Partial-Year Business Taxes at Buildout | \$ 8,125 |

Sources: City of Santa Ana, RSG, Inc

CITY EXPENDITURES

RSG estimated the additional population that will move into the Project to estimate the total added expenditures to the City General Fund for servicing the new residents. Consistent with other recent analyses prepared by RSG on projects in Santa Ana, RSG assumed that each studio would house 1.25 residents, each one-bedroom unit would house 1.75 residents, each two-bedroom unit would house 3.25 residents, each three-bedroom unit would house 4 residents, and each four-bedroom unit would house 5.25. Overall, this works out to an average household size of 3.12 residents per unit, which RSG considers reasonable.

RSG estimates at full occupancy the Project could hold 527 residents. Taking into account that a small percentage of the units will normally be vacant due to turnover, we estimate the fiscal impacts based on residents' time spent in the City. This is done by calculating the full-time equivalent (FTE) residents, defined as those who spend a vast majority of their daily consumption in Santa Ana. The assumption being that new residents who work out of the City, do not consume products in the City during the time they are gone.

RSG gathered data from the US Census and ESRI Business Analyst Online to estimate the FTE residents of the Project. Approximately 13 percent of Santa Ana residents work within Santa Ana, which, in effect means that the City is servicing these resident-employees 100 percent of the time. Another 37 percent of Santa Ana residents work outside the city. Assuming the residents that work outside of the city are outside City limits from 9 am to 5 pm, Santa Ana is servicing these residents approximately 73 percent of the time. The city's remaining residential population (about 51 percent), is serviced by the City 100 percent of the time. Accounting for all residents and employees based on the percent of time spent in the city, the Project will generate a daily (24/7) population of 476 persons.

RSG identified variable costs, as opposed to fixed costs, by department in the City of Santa Ana FY 2019-20 Adopted Budget. Variable costs are City expenditures that increase or decrease based on the resident and employee population. The City Manager and City Attorney offices, for example, are fixed costs that will not vary based on population, but the Police and Fire departments will vary based on population. With that said, RSG estimates expenditure increases of **\$120,441** during the first full year of operations. Over a 25-year projection period, the Project will add **\$2.4 million** in City expenditures (net present value, discounted at 4 percent).

Table 9

SUMMARY OF RECURRING CITY EXPENDITURES¹
CITY OF SANTA ANA
4th + Mortimer

| City Department | Current City Expenditures² | Project-derived City Expenditures | Total City Expenditures³ | Percent Increase |
|--|--|--|--|-------------------------|
| City Manager's Office | \$ 2,708,440 | \$ - | \$ 2,708,440 | 0.00% |
| Non-Departmental & Interfund Transfers | 61,098,660 | - | 61,098,660 | 0.00% |
| Clerk of the Council Office | 1,682,560 | 17 | 1,682,577 | 0.00% |
| City Attorney's Office | 3,219,780 | - | 3,219,780 | 0.00% |
| Personnel Services | 2,490,360 | 50 | 2,490,410 | 0.00% |
| Finance & Management Services | 9,671,190 | 228 | 9,671,418 | 0.00% |
| Bowers Museum Corporation | 1,473,430 | - | 1,473,430 | 0.00% |
| Parks, Recreation and Community Services | 26,836,790 | 1,551 | 26,838,341 | 0.01% |
| Police Department | 131,568,820 | 75,973 | 131,644,793 | 0.06% |
| Fire Services | 45,640,920 | 32,376 | 45,673,296 | 0.07% |
| Planning & Building Agency | 13,227,380 | 24 | 13,227,404 | 0.00% |
| Public Works Agency | 13,155,830 | - | 13,155,830 | 0.00% |
| Community Development Agency | 3,353,520 | - | 3,353,520 | 0.00% |
| Base Estimate in 2020-21 | \$ 316,127,681 | \$ 110,221 | \$ 316,237,901 | 0.03% |
| Total in 2023-24 | | \$ 120,441 | | |

¹ For this analysis, RSG identified departmental costs in the City of Santa Ana FY 2019-20 Budget that are variable costs, as opposed to fixed costs. Variable costs are expenditures by the City that increase or decrease based on the residential and employee population in the City. For example, City Council and Human Resources salaries and wages generally are fixed costs that do not vary based on population. Meanwhile, the Fire Services and Parks & Community Services departments will likely experience service cost increases due to the added population.

² Current expenditures are based on adopted expenditures in the City of Santa Ana's FY 2019-20 Budget.

³ Sum of current City expenditures and project-derived City expenditures. Assuming project opened in 2020-21.

Sources: City of Santa Ana, RSG, Inc., US Census Bureau

EMPLOYMENT

Development and ongoing operation of the Project will generate employment opportunities, add labor income to the market area, and add value to the gross regional product. For this analysis, RSG used the IMPLAN model to measure the economic impacts of the Project using County-wide data. IMPLAN is an input-output analysis software tool that tracks the interdependence among various producing and consuming sectors of the economy. According to MIG, Inc., the creators of IMPLAN, the software measures the relationship between a given set of demands for final goods and services and the inputs required to satisfy those demands. IMPLAN publishes countywide data on an annual basis; this analysis utilized the most recent available County of Orange dataset (2018) to calculate direct, indirect, and induced impacts.

The IMPLAN inputs are investment (development costs) and gross business operating income of the Project and the resulting outputs are economic impacts, including employment generation, labor income, and gross regional product. Jobs are the primary impacts calculated by IMPLAN.

RSG analyzed both temporary and permanent economic impacts. For temporary construction impacts the Developer's Project costs exclusive of land costs were used (\$77 million). From there construction costs were divided based on square footage, between multi-family (95 percent) and

non-residential (5 percent). For permanent impacts, the estimated sales from the residential complex, the restaurant space, and the retail space were used. IMPLAN breaks down the resulting employment and other effects into three categories: direct, indirect, and induced:

- Direct Effects – Refers to the direct effects that occur on the Project site resulting from development costs and operational sales revenue.
- Indirect Effects – Changes in sales, jobs, and/or income within the businesses that supply goods and services to the Project. Indirect effects do not occur directly on the Project-site but are an indirect effect to surrounding or related businesses.
- Induced Effects – Regional changes resulting from additional spending earned either directly or indirectly from the Project.

RSG utilizes the FTE conversion of total employment generally preferred in Public Policy. FTE employment numbers, as opposed to residents, present total employment through the lens of hours worked; summarizing then dividing by how many 40-hour work weeks are generated by the investment. The IMPLAN analysis concludes that the temporary construction component of the Project will result in 510 direct FTE jobs, 47 indirect FTE jobs, and 214 induced FTE jobs the majority of which will be in Santa Ana.

The permanent impacts attributed to the Project are 35 FTE jobs related to the operations of both the residential building itself, as well as the retail and restaurant components of the Project. This includes 25 direct, 4 indirect, and 5 induced jobs to the region.

Table 10 outlines the aforementioned FTE jobs generated by the Project.

Table 10

PROJECTED EMPLOYMENT (FTE)

4th and Mortimer

| | |
|---|------------|
| Temporary (Construction) Jobs | |
| Direct | 510 |
| Indirect | 47 |
| Induced | 214 |
| Subtotal | 771 |
| Permanent Jobs | |
| Direct | 25 |
| Indirect | 4 |
| Induced | 5 |
| Subtotal | 35 |
| Total Temporary & Permanent Jobs | |
| Direct | 535 |
| Indirect | 51 |
| Induced | 219 |
| Total | 806 |

Source: IMPLAN

NON-GENERAL FUND FISCAL IMPACTS

Business Improvement District

In 1984, a Business Improvement District ("BID") was established in Downtown Santa Ana. BIDs are assessment districts in which business owners pay special levies that go toward various improvements and promotions within the district. The City collects the funds and provides them to Downtown Inc. and Santa Ana Business Council, which coordinate events such as First Saturday Art-Walk, Savor Santa Ana, Boca De Oro Literary Festival, Santa Ana Media Summit, Outdoor Cinema Series, and the Santa Ana Sidewalk Sales, events that advertise the downtown area and bring foot traffic for local businesses.

The commercial component of the Project is located within the BID, so Project commercial businesses would be charged BID fees like the other businesses in the area. Businesses are levied according to the following guidelines:

- Retail Sale of Goods, Hotel and Motels, Theaters, and Food Establishments, shall pay an amount equal to one and one-half times their annual business license fee.
- Commercial Rental Property, Rental Property, Residential and Rooming Houses shall pay an amount equal to one-quarter times their annual business license fee.

- All other businesses, including Professions, Trades and Services shall pay an amount equal to their annual business license fee.

Based on the City's business license fee schedules, the BID fees for the residential component is estimated to be **\$2,282**. The BID fees for the retail and restaurant spaces combined is estimated to be **\$3,143** annually. While these funds do not directly benefit the general fund, they will increase funding going towards these downtown events and promotions, which does ultimately help the City.

| Table 11 | | |
|------------------------------------|-----------|----------------|
| BUSINESS IMPROVEMENT DISTRICT FEES | | |
| 4th and Mortimer | | |
| Residential Fee | \$ | 2,282 |
| Retail and Restaurant Fee | | 3,143 |
| Total | \$ | 5,424 |
| | | |
| 2020 Total BID Estimates | \$ | 200,000 |
| Added by Project | | 5,424 |
| % Added | | 2.7% |
| Total BID Revenues | \$ | 205,424 |

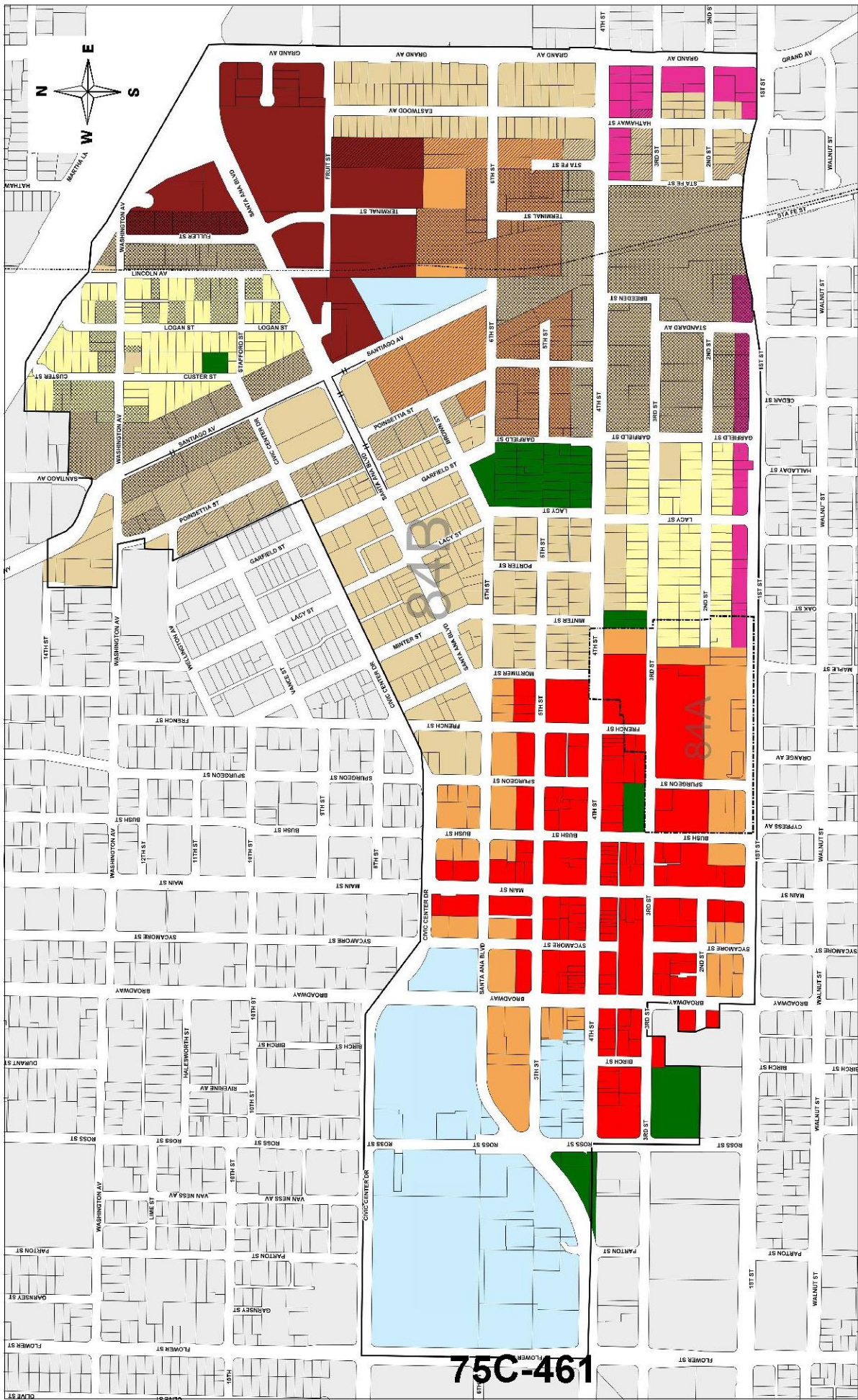
Source: Santa Ana Business License Tax Fee Schedules, BID 2020 Assessment Report

In closing, it is our privilege to assist The Concord Group and your client Red Oak Investments with predevelopment activities on this project. Please let us know if you have any questions or comments pertaining to the findings of this report.

Sincerely,

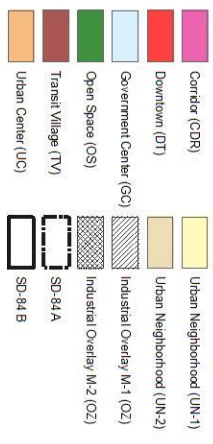


James Simon, Principal



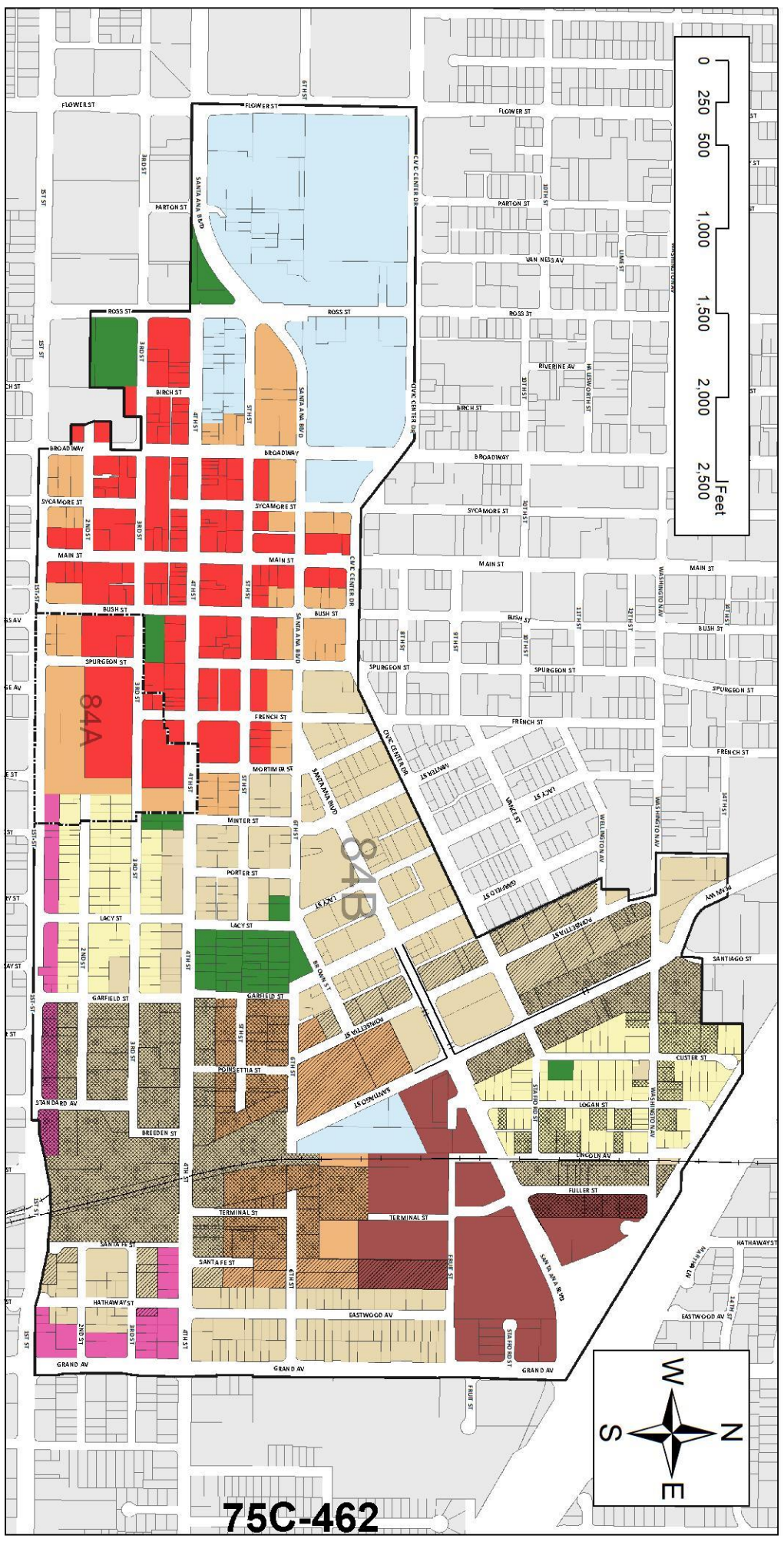
- Corridor (CDR)
- Downtown (DT)
- Government Center (GC)
- Open Space (OS)
- Transit Village (TV)
- Urban Center (UC)
- Urban Neighborhood (UN-1)
- Urban Neighborhood (UN-2)
- Industrial Overlay M-1 (OZ)
- Industrial Overlay M-2 (OZ)
- SD-84 A & SD-84B

Transit Zoning Code SD-84A and SD-84B Proposed Zoning Designations



Transit Zoning Code SD-84A and SD-84B Proposed Zoning Designations

EXHIBIT 9



Conformance to Development and Parking Standards

| Required by the Transit Zoning Code | Provided |
|---|--|
| Lined Block Building Type Height (Table DT-1): 1. Minimum - 2 stories 2. Maximum - 10 Stories Lined Block Building Type Height (Table UC-1): 1. Minimum - 2 stories 2. Maximum - 5 Stories | Site A: 5 to 7 Stories Site B: 5 Stories |
| Parking Driveway Width (Table DT-5): 2-Way Driveway: 20'0" minimum and 25'0" maximum. Parking Driveway Width (Table UC-4): 2-Way Driveway: 20'0" minimum and 25'0" maximum. | 2-Way Driveway: Project's driveway width varies from 20'0" to 25'0". |
| Parking (Table DT-6): 1. Standard: 2 stalls per unit minimum and 0.15 stalls per unit guest, and 1/400 square feet of commercial space. <ul style="list-style-type: none"> Results in 213 residential and 28 commercial parking spaces required (241 total) Parking (Table UC-5): 1. Standard: 2 stalls per unit minimum and 0.15 stalls per unit guest, and 1/300 square feet of commercial space. <ul style="list-style-type: none"> Results in 151 residential parking spaces required | The overall parking proposed for the project is 422 spaces, including 394 residential stalls and 28 commercial visitor stalls. This is surplus of 30 parking spaces above the total required of 392 spaces. The proposed residential parking provides a ratio of 2.3 parking spaces per residential unit. |
| Setbacks (Table DT-2): 1. Front Yard – 0'0" min, 0'0" max 2. Street Side – 0'0" min, 10'0" max 3. Side Yard – 0'0" min, no max 4. Rear Yard – 15'0" min, no max 5. Alley Yard – 3'0" min, no max Setbacks (Table UC-2): 1. Front Yard – 0'0" min, 0'0" max 2. Street Side – 0'0" min, 10'0" max 3. Side Yard – 0'0" min, no max 4. Rear Yard – 15'0" min, no max | Site A: Complies; 1. Front Yard – 0'0" 2. Side Yards – 3'-7" – 22'-5" (max) Site B: 1. Front Yard – 0'0" 2. Side Yards – 2'-6" – 15'-8" (max) |
| Frontage Type (Table DT-4): 1. Arcade – Min 50% of Frontage 2. Gallery – Min 50% of Frontage 3. Shopfront – Min 75% of Frontage 4. Forecourt – Max 50% of Frontage (remainder of frontage per permitted types) Frontage Type (Table UC-3): 1. Shopfront – Min 65% of Frontage 2. Forecourt – Max 50% of Frontage (remainder of frontage per permitted types) 3. Stoop – Max 50% of Frontage | Site A: 4 th Street: 100% Shopfront, Site B: 4 th Street: 50% Forecourt 4 th Street: 25% Stoop |
| Building Types Allowed (Table BT-1): Flex Block, Lined Block, Stacked Dwellings, Courtyard Housing, Live-Work, Tuck Under | Lined Block |
| Lined Block Width and Depth (Table BT-1): 1. Width – Min 125'0" and Max 300'0" 2. Depth – Minimum 100'0" | Site A: 1. Width – 242'0" 2. Depth – 243'0" |

| Required by the Transit Zoning Code | Provided |
|---|--|
| | Site B: 1. Width – 185'-0" - 236'0" 2. Depth – 241'0" |
| Lined Block Access Standards (Sec. 41-2023): 1. The main entrance to each ground floor shall be directly from the street. 2. Entrance to residential portions of the building shall be through a dedicated street level lobby, or through a dedicated podium lobby accessible from the street of through a side yard. 3. Access to each unit above the second level, not accessed through a podium, shall be through an interior corridor of at least 6'0" with recessed doors or seating alcoves/offsets at least every 100'0". 4. Each level of the building shall have access to the garage via an elevator. | All requirements met and shown in plan sheets. |
| Lined Block Parking Standards (Sec. 41-2023): 1. All parking shall be in an underground or above-ground garage, tuck under parking, or combination thereof. 2. Dwellings shall have indirect access to their parking stall(s). | The buildings provide parking via an above-ground garage. All dwellings will have indirect access to parking stalls. |
| Lined Block Open Space Standards (Sec. 41-2023): 1. The common open space shall be designated as a courtyard, or in the front as a forecourt. This area shall be equal to 15% of the lot and shall be open to the sky. 2. Minimum courtyard width of 20'0" when running EW and 15'0" when running NS. 3. 20'0" wide courts only permit architectural projections on two opposing sides. 4. Private open space for each dwelling unit and no less than 50 SF and not less than 6'0" in each direction. 5. Private open space can be substituted for common open space or common interior space at an equivalent square footage. The minimum dimension of this space shall be 15'0" in each direction. | Site A & Site B: 1. Required (Common + Private): 26,190 SF 2. Provided (Common + Private): 39,838 SF All requirements met and shown in plan sheets. |
| Lined Block Landscape Standards (Sec. 41-2023): 1. If a front yard is present, one 24" box tree per 25'0" lineal feet shall be provided. 2. Six (6) 5-gallon shrubs and ten (10) 1-gallon size shrubs or ground cover per required tree. 3. Courtyards located above garages shall avoid the sensation of forced podium hardscape. 4. Trees in the front yard may not exceed 12-15' in height at maturity and must be suitable for built in concrete planters or containers with a 36-inch width. 5. One 36" box tree is required per courtyard that meets the minimum dimensions. For courtyards that exceed minimum dimensions, two or more 24-inch box small size trees may be substituted. 6. If a rear yard is present, at least one (1) 36" box tree per 30'0" lineal feet shall be planted. 7. If a side yard is present, at least one (1) 24" box tree per 30'0" lineal feet shall be provided. | 1. Complies 2. Complies 3. Complies 4. Complies 5. Complies 6. Complies 7. Complies |

| Required by the Transit Zoning Code | Provided |
|--|---|
| Lined Block Frontage Standards (Sec. 41-2023): Entry door oriented to street/courtyard when fronting to one. Service rooms-oriented backing to corridors. | All requirements met and shown in plan sheets. |
| Building Size and Massing Standards (Sec. 41-2023): 1-4 (<i>Standards Noted and Met</i>) 5. Max Height Ratios: a. Ground Floor – 100% b. Level 2 – 100% c. Level 3-5 – 85% d. Level 6 – 85% | Building Height Ratios: Site A: 1. Ground Floor – 100% 2. Level 2 – 49% 3. Level 3 – 81% 4. Level 4 – 81% 5. Level 5 – 81% 6. Level 6 – 63% 7. Level 7 – 60% Site B: – Approval of a Variance Required for an increase in allowable building size and massing 1. Ground Floor – 100% 2. Level 2 – 100% 3. Level 3-5 – 100% |

AA No. 2020-04, "4th and Mortimer Mixed-Use Development"

409 and 509 East Fourth Street

The 2020 EIR Addendum and Technical Appendices are available online at:

<https://www.santa-ana.org/pb/planning-division/major-planning-projects-and-monthly-development-project-reports/4th-and>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701

AA No. 2020-04, "4th and Mortimer Mixed-Use Development"

409 and 509 East Fourth Street

The 2010 Transit Zoning Code EIR and Technical Appendices are available online at:

<https://www.santa-ana.org/transit-zoning-code-environmental-impact-report>

Or by visiting:

Planning and Building Agency – Planning Division Public Counter

20 Civic Center Plaza

Santa Ana, CA 92701



17872 GILLETTE AVE.
SUITE 350
IRVINE, CA 92614

714 541 4585
INFO@WEBRSG.COM
WEBRSG.COM

June 3, 2020

Via Electronic Mail

Richard M. Gollis, Principal
THE CONCORD GROUP
369 San Miguel Drive, Suite 265
Newport Beach, CA 92660

**DEVELOPMENT FISCAL IMPACT ANALYSIS
4TH + MORTIMER MIXED-USE PROJECT, DOWNTOWN SANTA ANA**

Dear Mr. Gollis:

RSG, Inc. ("RSG") was retained by The Concord Group ("TCG") to perform a fiscal and economic impact analysis for the development of a proposed mixed-use apartment and retail project ("Project") in downtown Santa Ana, California. TCG obtained this analysis on behalf of the property owner/developer, Red Oak Investments ("Developer"), which recently submitted an application for redevelopment of the subject property with the City of Santa Ana's ("City") Planning and Building Services Department.

The Project site sits along 4th street covering two blocks divided by Mortimer Street for a total Project area of 2.72 acres. If approved, the Project would consist of one mixed-used building and one residential building, each on their own block. Currently, Northgate Market sits within the proposed development site, and an automotive repair shop sits adjacent to it.

This letter describes our analysis, methodology, and anticipated recurring fiscal impacts resulting from development of the Project. As is typical at this stage, our conclusions could evolve as the application moves forward through the design and environmental review process.

As is consistent with other Downtown Santa Ana projects analyzed by RSG, the construction period was assumed to be over three years. Part of the work would begin in 2021 (36 percent), with a majority taking place in 2022 (51 percent), leading to the remainder in 2023 (13 percent). The Project would open in the third construction year. Fiscal impacts from that year are reduced to reflect a partial year. RSG anticipates the following fiscal outcomes over a 25-year forecast period:

- \$2.9 million (net present value, discounted at 4 percent) in net new property tax revenues to the City General Fund.
- A combined \$2 million in sales taxes that includes \$1 million from the City's base rate, and \$987,230 from the City's Measure X additional tax rate inclusive of the sunset date (net present value, discounted at 4 percent).
- A total of \$7.8 million (net present value, discounted at 4 percent) in additional City General Fund revenue, including construction period revenues, recurring site-specific tax, and other Project impacts.
- Over the same 25-year period, the City General Fund expenditures associated with the Project total \$2.4 million (net present value, discounted at 4 percent)

As a result, the net new General Fund revenue (revenues less expenditures) is projected to be approximately **\$5.4 million** (net present value, discounted at 4 percent) if the Project were developed as proposed.

Table 1 summarizes the 25-year fiscal impact of the Project. Table 2 provides the corresponding forecast of the same impacts on the following page.

| Table 1 | | |
|---|----------------------|---------------------|
| NET NEW RECURRING GENERAL FUND FISCAL IMPACTS | | |
| 4th and Mortimer | | |
| Revenue Category | 25-Year Recurring | |
| | Nominal | NPV 4.0% |
| Property Tax | \$ 5,373,270 | \$ 2,993,993 |
| Property Tax In-Lieu | 3,739,484 | 2,086,226 |
| Sales Tax | 1,913,260 | 1,019,241 |
| Measure X (2018) Sales Tax Increase | 1,522,027 | 987,230 |
| Utility User Tax | 938,109 | 499,754 |
| Business Tax | 313,235 | 166,868 |
| Total Revenues | \$ 13,799,385 | \$ 7,753,312 |
| Less City Expenditures | \$ (4,495,985) | \$(2,390,794) |
| NET NEW REVENUE TOTAL | \$ 9,303,400 | \$ 5,362,518 |

Sources: City of Santa Ana, County of Orange, California State Board of Equalization, ESRI Business Analyst Online, and RSG, Inc.

Table 2

25-YEAR NET NEW RECURRING FISCAL IMPACT PROJECTIONS

4th and Mortimer

| Year | Net New | | Property Tax In-Lieu | Sales Tax | Measure X (2018) | | | Utility User Tax | Business Tax | Gross Revenue | City Expenditures | Net New Total |
|--------------|--------------|---------------------|-------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|----------------------|-----------------------|-----------------------|---------------------|
| | Property Tax | Property Tax | | | Additional | Sales Tax | Sales Tax | | | | | |
| | | | | | | | | | | | | |
| CY1 | 2021 | \$ 46,380 | \$ 37,711 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 84,091 | \$ - | \$ 84,091 |
| CY2 | 2022 | 132,074 | 92,738 | - | - | - | - | - | - | 224,812 | - | 224,812 |
| CY3 | 2023 | 154,282 | 107,186 | 49,627 | 74,440 | - | 24,333 | 8,125 | 417,992 | 417,992 | (104,784) | 313,208 |
| 1 | 2024 | 157,368 | 109,329 | 51,115 | 76,673 | 51,115 | 25,063 | 8,369 | 427,917 | 427,917 | (120,441) | 307,476 |
| 2 | 2025 | 160,515 | 111,516 | 52,649 | 78,973 | 52,649 | 25,815 | 8,620 | 438,088 | 438,088 | (124,055) | 314,033 |
| 3 | 2026 | 163,725 | 113,746 | 54,228 | 81,343 | 54,228 | 26,589 | 8,878 | 448,510 | 448,510 | (127,776) | 320,734 |
| 4 | 2027 | 167,000 | 116,021 | 55,855 | 83,783 | 55,855 | 27,387 | 9,145 | 459,191 | 459,191 | (131,609) | 327,581 |
| 5 | 2028 | 170,340 | 118,342 | 57,531 | 86,296 | 57,531 | 28,209 | 9,419 | 470,136 | 470,136 | (135,558) | 334,578 |
| 6 | 2029 | 173,747 | 120,708 | 59,257 | 88,885 | 59,257 | 29,055 | 9,701 | 481,353 | 481,353 | (139,624) | 341,729 |
| 7 | 2030 | 177,222 | 123,123 | 61,035 | 91,011 | 61,035 | 29,926 | 9,992 | 492,835 | 492,835 | (143,813) | 349,022 |
| 8 | 2031 | 180,766 | 125,585 | 62,866 | 93,502 | 62,866 | 30,824 | 10,292 | 504,357 | 504,357 | (148,128) | 356,229 |
| 9 | 2032 | 184,381 | 128,097 | 64,752 | 96,067 | 64,752 | 31,749 | 10,601 | 516,808 | 516,808 | (152,571) | 364,237 |
| 10 | 2033 | 188,069 | 130,659 | 66,694 | 98,709 | 66,694 | 32,701 | 10,919 | 529,409 | 529,409 | (157,149) | 372,260 |
| 11 | 2034 | 191,830 | 133,272 | 68,695 | 101,430 | 68,695 | 33,682 | 11,247 | 542,156 | 542,156 | (161,863) | 380,293 |
| 12 | 2035 | 195,667 | 135,937 | 70,756 | 104,183 | 70,756 | 34,693 | 11,584 | 555,000 | 555,000 | (166,719) | 388,281 |
| 13 | 2036 | 199,580 | 138,656 | 72,878 | 106,920 | 72,878 | 35,734 | 11,932 | 567,932 | 567,932 | (171,720) | 396,212 |
| 14 | 2037 | 203,572 | 141,429 | 75,065 | 109,656 | 75,065 | 36,806 | 12,289 | 580,865 | 580,865 | (176,872) | 403,993 |
| 15 | 2038 | 207,643 | 144,258 | 77,317 | 112,393 | 77,317 | 37,910 | 12,658 | 593,773 | 593,773 | (182,178) | 411,595 |
| 16 | 2039 | 211,796 | 147,143 | 79,636 | 115,120 | 79,636 | 39,047 | 13,038 | 606,681 | 606,681 | (187,644) | 419,037 |
| 17 | 2040 | 216,032 | 150,086 | 82,025 | 117,847 | 82,025 | 40,219 | 13,429 | 619,590 | 619,590 | (193,273) | 426,317 |
| 18 | 2041 | 220,353 | 153,087 | 84,486 | 120,573 | 84,486 | 41,425 | 13,832 | 632,499 | 632,499 | (199,071) | 433,428 |
| 19 | 2042 | 224,760 | 156,149 | 87,021 | 123,299 | 87,021 | 42,668 | 14,247 | 645,408 | 645,408 | (205,043) | 440,365 |
| 20 | 2043 | 229,255 | 159,272 | 89,631 | 126,025 | 89,631 | 43,948 | 14,674 | 658,317 | 658,317 | (211,195) | 447,122 |
| 21 | 2044 | 233,840 | 162,458 | 92,320 | 128,751 | 92,320 | 45,266 | 15,114 | 671,226 | 671,226 | (217,530) | 453,696 |
| 22 | 2045 | 238,517 | 165,707 | 95,090 | 131,477 | 95,090 | 46,624 | 15,568 | 684,135 | 684,135 | (224,056) | 460,079 |
| 23 | 2046 | 243,287 | 169,021 | 97,943 | 134,202 | 97,943 | 48,023 | 16,035 | 697,044 | 697,044 | (230,778) | 466,266 |
| 24 | 2047 | 248,153 | 172,401 | 100,881 | 136,927 | 100,881 | 49,464 | 16,516 | 710,000 | 710,000 | (237,701) | 472,299 |
| 25 | 2048 | 253,116 | 175,849 | 103,907 | 139,652 | 103,907 | 50,948 | 17,011 | 722,909 | 722,909 | (244,832) | 478,077 |
| TOTAL | | \$ 5,373,270 | \$ 3,739,484 | \$ 1,913,260 | \$ 1,522,027 | \$ 1,913,260 | \$ 938,109 | \$ 313,235 | \$ 13,799,385 | \$ (4,495,985) | \$ (2,390,794) | \$ 9,303,400 |
| NPV | 4.00% | \$ 2,993,993 | \$ 2,086,226 | \$ 1,019,241 | \$ 987,230 | \$ 1,019,241 | \$ 499,754 | \$ 166,868 | \$ 7,753,312 | \$ (2,390,794) | \$ (2,390,794) | \$ 5,362,518 |

Inflation Rate

2.0%

2.0%

3.0%

3.0%

3.0%

3.0%

3.0%

3.0%

PROJECT DESCRIPTION

The Project site is located on the 400 and 500 blocks of East 4th Street (also known as Calle Quatro), between French and Minter Streets, in the East End District of Downtown Santa Ana. Downtown Santa Ana is a vibrant, historic destination for locals and visitors to the City, known as a center of commerce and culture for the Latinx community, arts and entertainment, and historic buildings repurposed for contemporary use. Two business improvement districts overlay “DTSA,” Downtown Inc and the Santa Ana Business Council. Within them are the renowned Yost Theater, Frida Cinema, 4th Street Market, and part of the project site. Across 4th Street from the Project site is The Spectrum Condominiums, a four-story residential complex over ground floor parking (five-stories).

Figure 1 shows the location of the Project Site

Figure 1: Project Site



Source: Google Maps

The Project site consists of 10 parcels on the two blocks, separated by Mortimer Street. Excluded from the Project site is a 2,887 square foot parcel currently used as an automotive repair shop (Ming's Auto).

As shown in Figure 2, the 252,368 square foot (gross building area) Project would result in the demolition of the existing improvements and construction featuring 169 market rate multifamily units, 11,361 square feet of ground floor commercial space, and two parking structures.

On the western 400 block, currently a single parcel occupied by the Northgate Gonzalez Market, the Developer is proposing a seven-story mixed-use building. The seven-story building will include 99 multifamily units, 7,514 square-feet of retail space, 3,847 square-feet of restaurant space, 8,007 square-feet of amenities, leasing, and deck space, and 17,989 square-feet of open space. On the eastern 500 block of 4th Street, the remaining nine parcels would include a five-story residential building and parking structure, with 70 multifamily units and 8,623 square-feet of open space.

Figure 2: Site Plan



Source: KTG Y Group Inc., Red Oak Investments

There are currently 169 residential units planned for construction, the breakdown of which includes 21 studio (12 percent of all units), 38 one-bedroom (22 percent), 66 two-bedroom (39 percent), 9 three-bedroom (5 percent), and 35 four-bedroom (21 percent) units. Based on occupancy rates from prior projects, RSG estimates 153 units will be occupied at any given time.

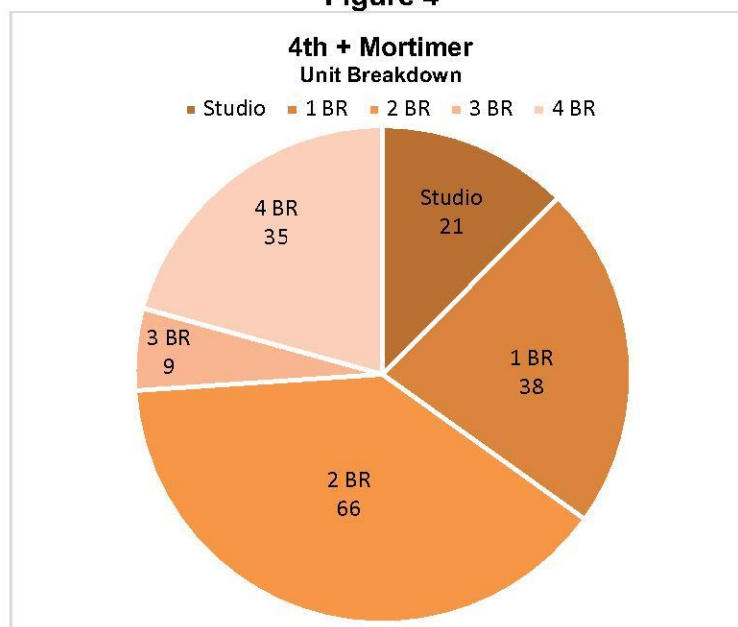
Figure 3 presents a rendering of the project as currently proposed:

Figure 3



Figure 4 exhibits the unit mix.

Figure 4



Source: KTG Group Inc., Red Oak Investments

RECURRING FISCAL IMPACTS

Property Tax Revenue

All property taxes in the state of California are levied at a rate of 1 percent. The City's share of the 1 percent property tax levy is 19.4%, as provided by the County of Orange ("County") Auditor-Controller. The Developer provided RSG with the Project costs that consisted of \$5 million for land, and \$77 million for hard and soft costs. This \$82 million adjusted for inflation over the construction period, would amount to an assessed valuation of \$86.4 million at buildout. To accurately portray the effect of the Project to the City, property tax revenues presented in this report are net of any existing revenues. The existing site is currently valued at \$6.3 million. When adjusted for inflation over the construction period the value is \$6.9 million, providing the City an estimated \$13,375 in year 2023 absent the construction of the Project. The new development would provide \$167,657 to the City in that same year. Therefore, the net new property tax revenues to the City would be **\$154,282** at buildout.

Table 3

NET NEW PROPERTY TAX REVENUE

4th and Mortimer

At Buildout

| | | |
|--|----|------------|
| Existing Assessed Value | \$ | 6,894,078 |
| Proposed Project Assessed Valuation ¹ | | 86,420,908 |
| Net New Value | \$ | 79,526,830 |

| | |
|------------------------|-------|
| City Property Tax Rate | 19.4% |
|------------------------|-------|

| | |
|--------------------------------------|------------------------|
| | <i>Annual Estimate</i> |
| Existing Property Tax Revenues | \$ 13,375 |
| New Property Tax Revenues | \$ 167,657 |
| Net New Property Tax Revenues | \$ 154,282 |

Source: County of Orange Auditor Controller, RSG, Inc.

¹ Inflated pursuant to the construction schedule

To project future property taxes, RSG assumed 2 percent inflation on property tax revenues over the 25-year projection period, resulting in **\$2.9 million** (net present value, discounted at 4 percent) in net new property tax revenues for the City General Fund.

Property Tax in-lieu of Motor Vehicle License Fee Revenue

Established in 1935, the Motor Vehicle License Fee ("MVLFF") was essentially a tax on vehicle ownership. It is collected by the State annually when vehicles are registered and was historically allocated to cities and counties based upon a statutory formula. In 2004, during the State's budget crisis, about 90 percent of each city's MVLFF revenue was replaced with property tax revenue, and cities in particular began to receive an allocation of property tax from the Educational Revenue Augmentation Fund ("ERAF") in an amount equal to what they would have received in MVLFF under an older MVLFF allocation formula. Under current law, the property tax in-lieu of MVLFF

revenue increases based on assessed value growth in a jurisdiction, so estimated revenues are based on changes in assessed value created by the Project.

Based on the City's 2019-20 secured property tax roll, the total assessed value of all Property in the City is \$26.3 billion. When adjusting for inflation during the construction period, the Project's net new assessed valuation (\$79.5 million) increases the City's assessed value by 0.33 percent. The MVLF increase from the Project is calculated from the percent increase in assessed value. This gives us **\$107,186** in estimated In-Lieu MVLF revenues at build-out (see Table 4). As depicted above, the City is expected to receive **\$2 million** (net present value, discounted at 4 percent) in In-Lieu MVLF revenues through 2047.

Table 4

| PROPERTY TAX IN-LIEU OF MOTOR VEHICLE LICENSE FEES | |
|---|-------------------|
| 4th and Mortimer | |
| 2019-20 City Assessed Value | \$ 26,369,891,977 |
| Project Assessed Value ¹ | 86,420,908 |
| City Assessed Value with Project | 26,456,312,885 |
| | |
| Increase in Assessed Value | 0.33% |
| | |
| Santa Ana 2019-20 VLF | 32,705,877 |
| Santa Ana VLF with Project | 32,813,063 |
| | |
| Property Tax In-lieu Revenue | \$ 107,186 |

Annual Estimate

Source: County of Orange Auditor Controller, RSG, Inc.

¹ Inflated pursuant to the construction schedule

Utility User Tax

The City assesses a utility user tax of 5.5 percent on electricity, gas, water, and telephone revenues generated within Santa Ana. Utility costs were estimated by RSG based on a review of similar projects and utility costs in Orange County. Residential utility expenditures were assumed to be: \$104 per month for phone, \$57 for electricity, \$23 for gas, and \$30 for water. This amounts to \$2,890 annually in 2020 dollars. From the Developer's estimates of 3,847 square feet of restaurant and 7,514 square feet of retail, RSG was able to use US Energy Information Administration ("EIA") estimates to extrapolate commercial utility expenses. Retail establishments average around \$1.50 per square foot in energy expenses, while restaurants average \$4.44 per square foot.

Based on these assumptions, RSG estimates that utility user tax revenues generated by the Project, reduced to account for a partial year, will be an estimated **\$24,333** at buildout. This adds up to **\$499,754** (net present value, discounted at 4 percent) over the 25-year projection period (see Table 2).

Table 5 showcases the Utility User Tax at buildout below.

| Table 5 | | |
|---|-----------|---------------|
| UTILITY USER TAX REVENUE | | |
| 4th and Mortimer | | |
| Energy Expenditures per Household | \$ | 2,890 |
| Occupied Households | | 153 |
| Total Residential Energy Expenses | \$ | 441,083 |
| Total Commercial Energy Expenses ¹ | \$ | 67,443 |
| City Tax Rate | | 5.5% |
| Full-Year Buildout Revenues | \$ | 27,969 |
| Partial-Year Buildout Revenues | \$ | 24,333 |

Sources: US Energy Information Administration, RSG, Inc., ESRI BAO

¹EIA estimates of \$1.40 per SF for Retail and \$4.44 for restaurant

Sales Taxes

The Project is expected to increase sales taxes through both the new businesses and new residents. The methodology and assumptions for both differ but are necessary for accuracy.

Resident-Derived Sales Tax

To determine the resident share, RSG obtained average annual household expenditures for households within a 1-mile radius of the Project from ESRI Business Analyst. By adjusting the household expenditures based on taxable and non-taxable sales, RSG estimates that each household would spend an average of \$17,836 at buildout. Based on experience with previous projects in the City, an estimated 65 percent of those expenditures would be subject to Santa Ana's sales tax.

The State and County sales tax receive 6 percent and 0.75 percent of taxable sales, respectively. In addition, the City levies its own sales tax at a rate of 1 percent. In 2018, Santa Ana voters approved an additional sales tax of 1.5 percent that would then decrease to 1 percent in 2029 until expiring in 2039. RSG took this increase into consideration when analyzing the affects the new residents would have on the City's General Fund.

Using ESRI's Business Analyst Online software, RSG was able to estimate the amount of taxable expenditures the average new household would make in the City. RSG then estimated the vacancy rate from Census data, 2.7 percent, to come up with 165 total occupied households. Multiplying the households and the expenditures together produced an estimate of total taxable sales of \$1.9 million. From there, the taxable sales were multiplied by both the City's base tax rate and the Measure X additional rates (1 percent and 1.5 percent). Therefore, the residential derived sales tax revenue from the base tax rate is an estimated **\$17,697** at buildout. The

additional tax from Measure X would yield **\$26,545** at buildout and decrease to **\$21,131** in 2029 (adjusted for 3% inflation) before ceasing in 2039.

Table 6
RESIDENT-DERIVED SALES TAX REVENUE
4th and Mortimer

| | | |
|--|------------------------|---------------|
| Households and Sales at Buildout | | |
| Average Household Taxable Expenditures | \$ | 17,836 |
| Occupied Households | | 153 |
| Percent within Santa Ana | | 65% |
| Total Taxable Sales | \$ | 1,769,689 |
| | | |
| City Share of Sales Tax | | 1% |
| Measure X (2018) Additional Sales Tax ¹ | | 1.5% |
| | | |
| Resident-Derived Sales Tax Revenues | <i>Annual Estimate</i> | |
| (Base Rate) | \$ | 17,697 |
| (2018 Addition) | \$ | 26,545 |
| (2029 Decrease to 1%) | \$ | 21,131 |

Source: ESRI BAO, City of Santa Ana

¹Measure X additional sales tax decreases from 1.5% to 1% in 2029.

Business-Derived Sales Tax

The Project includes 7,514 square feet of retail space and 3,847 square feet of restaurant space. These new businesses will generate sales taxes separate from the new residents. Since the Developer does not yet know the exact tenants that will fill the space, RSG estimated an average of \$300 of sales per square foot for the retail, and \$350 per square foot for the restaurant. As a result, the retail and restaurant businesses will generate taxable sales of \$2.4 million and \$1.4 million at buildout, respectively.

RSG estimates the base sales tax revenues at buildout to be **\$39,345**. Table 7 below presents this information. In addition, Measure X will generate **\$59,018** for that year as well. However, in 2029 Measure X revenues will decrease to **\$36,007** before being eliminated altogether in 2039.

Table 7
BUSINESS-DERIVED SALES TAX REVENUE
4th and Mortimer

| | |
|--|------------------------|
| Sales at Buildout | |
| General Retail | \$ 2,463,225 |
| Restaurant | 1,471,302 |
| | <hr/> |
| | \$ 3,934,527 |
| City Share of Sales Tax | 1% |
| Measure X (2018) Additional Sales Tax ¹ | 1.5% |
| | <hr/> |
| Business-Derived Sales Tax Revenues | <i>Annual Estimate</i> |
| (Base Rate) | \$ 39,345 |
| (2018 Addition) | \$ 59,018 |
| (2029 Decrease to 1%) | \$ 36,007 |

Source: California State Board of Equalization, RSG, Inc.

¹Measure X additional sales tax decreases from 1.5% to 1% in 2029

For the City base rate, combined resident and business sales taxes at buildout would be an estimated \$50,828. Measure X combined taxes would be \$76,242. Both are adjusted for inflation during the construction period and for the partial year at opening. This provides for a 25-year total of \$1.02 million from the base rate and \$987,230 from Measure X.

Business Tax

The City assesses a business tax on retail, restaurant, and residential property management companies. Table 8 below showcases the new revenues from the Project. Retail and restaurant business taxes are assessed based on annual sales while management company business taxes are assessed based on unit count. The combined business tax revenues are an estimated **\$8,125** at buildout, or **\$166,868** over 25 years (net present value, discounted at 4 percent).

Table 8
BUSINESS TAX REVENUES
4th and Mortimer

| | |
|--|-----------------|
| Multifamily Residential Tax | \$ 6,573 |
| Retail Tax | 1,621 |
| Restaurant Tax | 1,145 |
| | <hr/> |
| Full-Year Business Taxes at Buildout | \$ 9,339 |
| Partial-Year Business Taxes at Buildout | \$ 8,125 |

Sources: City of Santa Ana, RSG, Inc

CITY EXPENDITURES

RSG estimated the additional population that will move into the Project to estimate the total added expenditures to the City General Fund for servicing the new residents. Consistent with other recent analyses prepared by RSG on projects in Santa Ana, RSG assumed that each studio would house 1.25 residents, each one-bedroom unit would house 1.75 residents, each two-bedroom unit would house 3.25 residents, each three-bedroom unit would house 4 residents, and each four-bedroom unit would house 5.25. Overall, this works out to an average household size of 3.12 residents per unit, which RSG considers reasonable.

RSG estimates at full occupancy the Project could hold 527 residents. Taking into account that a small percentage of the units will normally be vacant due to turnover, we estimate the fiscal impacts based on residents' time spent in the City. This is done by calculating the full-time equivalent (FTE) residents, defined as those who spend a vast majority of their daily consumption in Santa Ana. The assumption being that new residents who work out of the City, do not consume products in the City during the time they are gone.

RSG gathered data from the US Census and ESRI Business Analyst Online to estimate the FTE residents of the Project. Approximately 13 percent of Santa Ana residents work within Santa Ana, which, in effect means that the City is servicing these resident-employees 100 percent of the time. Another 37 percent of Santa Ana residents work outside the city. Assuming the residents that work outside of the city are outside City limits from 9 am to 5 pm, Santa Ana is servicing these residents approximately 73 percent of the time. The city's remaining residential population (about 51 percent), is serviced by the City 100 percent of the time. Accounting for all residents and employees based on the percent of time spent in the city, the Project will generate a daily (24/7) population of 476 persons.

RSG identified variable costs, as opposed to fixed costs, by department in the City of Santa Ana FY 2019-20 Adopted Budget. Variable costs are City expenditures that increase or decrease based on the resident and employee population. The City Manager and City Attorney offices, for example, are fixed costs that will not vary based on population, but the Police and Fire departments will vary based on population. With that said, RSG estimates expenditure increases of **\$120,441** during the first full year of operations. Over a 25-year projection period, the Project will add **\$2.4 million** in City expenditures (net present value, discounted at 4 percent).

Table 9

SUMMARY OF RECURRING CITY EXPENDITURES¹
CITY OF SANTA ANA
4th + Mortimer

| City Department | Current City Expenditures² | Project-derived City Expenditures | Total City Expenditures³ | Percent Increase |
|--|--|--|--|-------------------------|
| City Manager's Office | \$ 2,708,440 | \$ - | \$ 2,708,440 | 0.00% |
| Non-Departmental & Interfund Transfers | 61,098,660 | - | 61,098,660 | 0.00% |
| Clerk of the Council Office | 1,682,560 | 17 | 1,682,577 | 0.00% |
| City Attorney's Office | 3,219,780 | - | 3,219,780 | 0.00% |
| Personnel Services | 2,490,360 | 50 | 2,490,410 | 0.00% |
| Finance & Management Services | 9,671,190 | 228 | 9,671,418 | 0.00% |
| Bowers Museum Corporation | 1,473,430 | - | 1,473,430 | 0.00% |
| Parks, Recreation and Community Services | 26,836,790 | 1,551 | 26,838,341 | 0.01% |
| Police Department | 131,568,820 | 75,973 | 131,644,793 | 0.06% |
| Fire Services | 45,640,920 | 32,376 | 45,673,296 | 0.07% |
| Planning & Building Agency | 13,227,380 | 24 | 13,227,404 | 0.00% |
| Public Works Agency | 13,155,830 | - | 13,155,830 | 0.00% |
| Community Development Agency | 3,353,520 | - | 3,353,520 | 0.00% |
| Base Estimate in 2020-21 | \$ 316,127,681 | \$ 110,221 | \$ 316,237,901 | 0.03% |
| Total in 2023-24 | | \$ 120,441 | | |

¹ For this analysis, RSG identified departmental costs in the City of Santa Ana FY 2019-20 Budget that are variable costs, as opposed to fixed costs. Variable costs are expenditures by the City that increase or decrease based on the residential and employee population in the City. For example, City Council and Human Resources salaries and wages generally are fixed costs that do not vary based on population. Meanwhile, the Fire Services and Parks & Community Services departments will likely experience service cost increases due to the added population.

² Current expenditures are based on adopted expenditures in the City of Santa Ana's FY 2019-20 Budget.

³ Sum of current City expenditures and project-derived City expenditures. Assuming project opened in 2020-21.

Sources: City of Santa Ana, RSG, Inc., US Census Bureau

EMPLOYMENT

Development and ongoing operation of the Project will generate employment opportunities, add labor income to the market area, and add value to the gross regional product. For this analysis, RSG used the IMPLAN model to measure the economic impacts of the Project using County-wide data. IMPLAN is an input-output analysis software tool that tracks the interdependence among various producing and consuming sectors of the economy. According to MIG, Inc., the creators of IMPLAN, the software measures the relationship between a given set of demands for final goods and services and the inputs required to satisfy those demands. IMPLAN publishes countywide data on an annual basis; this analysis utilized the most recent available County of Orange dataset (2018) to calculate direct, indirect, and induced impacts.

The IMPLAN inputs are investment (development costs) and gross business operating income of the Project and the resulting outputs are economic impacts, including employment generation, labor income, and gross regional product. Jobs are the primary impacts calculated by IMPLAN.

RSG analyzed both temporary and permanent economic impacts. For temporary construction impacts the Developer's Project costs exclusive of land costs were used (\$77 million). From there construction costs were divided based on square footage, between multi-family (95 percent) and

non-residential (5 percent). For permanent impacts, the estimated sales from the residential complex, the restaurant space, and the retail space were used. IMPLAN breaks down the resulting employment and other effects into three categories: direct, indirect, and induced:

- Direct Effects – Refers to the direct effects that occur on the Project site resulting from development costs and operational sales revenue.
- Indirect Effects – Changes in sales, jobs, and/or income within the businesses that supply goods and services to the Project. Indirect effects do not occur directly on the Project-site but are an indirect effect to surrounding or related businesses.
- Induced Effects – Regional changes resulting from additional spending earned either directly or indirectly from the Project.

RSG utilizes the FTE conversion of total employment generally preferred in Public Policy. FTE employment numbers, as opposed to residents, present total employment through the lens of hours worked; summarizing then dividing by how many 40-hour work weeks are generated by the investment. The IMPLAN analysis concludes that the temporary construction component of the Project will result in 510 direct FTE jobs, 47 indirect FTE jobs, and 214 induced FTE jobs the majority of which will be in Santa Ana.

The permanent impacts attributed to the Project are 35 FTE jobs related to the operations of both the residential building itself, as well as the retail and restaurant components of the Project. This includes 25 direct, 4 indirect, and 5 induced jobs to the region.

Table 10 outlines the aforementioned FTE jobs generated by the Project.

Table 10

PROJECTED EMPLOYMENT (FTE)

4th and Mortimer

| | |
|---|------------|
| Temporary (Construction) Jobs | |
| Direct | 510 |
| Indirect | 47 |
| Induced | 214 |
| Subtotal | 771 |
| Permanent Jobs | |
| Direct | 25 |
| Indirect | 4 |
| Induced | 5 |
| Subtotal | 35 |
| Total Temporary & Permanent Jobs | |
| Direct | 535 |
| Indirect | 51 |
| Induced | 219 |
| Total | 806 |

Source: IMPLAN

NON-GENERAL FUND FISCAL IMPACTS

Business Improvement District

In 1984, a Business Improvement District ("BID") was established in Downtown Santa Ana. BIDs are assessment districts in which business owners pay special levies that go toward various improvements and promotions within the district. The City collects the funds and provides them to Downtown Inc. and Santa Ana Business Council, which coordinate events such as First Saturday Art-Walk, Savor Santa Ana, Boca De Oro Literary Festival, Santa Ana Media Summit, Outdoor Cinema Series, and the Santa Ana Sidewalk Sales, events that advertise the downtown area and bring foot traffic for local businesses.

The commercial component of the Project is located within the BID, so Project commercial businesses would be charged BID fees like the other businesses in the area. Businesses are levied according to the following guidelines:

- Retail Sale of Goods, Hotel and Motels, Theaters, and Food Establishments, shall pay an amount equal to one and one-half times their annual business license fee.
- Commercial Rental Property, Rental Property, Residential and Rooming Houses shall pay an amount equal to one-quarter times their annual business license fee.

- All other businesses, including Professions, Trades and Services shall pay an amount equal to their annual business license fee.

Based on the City's business license fee schedules, the BID fees for the residential component is estimated to be **\$2,282**. The BID fees for the retail and restaurant spaces combined is estimated to be **\$3,143** annually. While these funds do not directly benefit the general fund, they will increase funding going towards these downtown events and promotions, which does ultimately help the City.

| Table 11 | | |
|------------------------------------|-----------|----------------|
| BUSINESS IMPROVEMENT DISTRICT FEES | | |
| 4th and Mortimer | | |
| Residential Fee | \$ | 2,282 |
| Retail and Restaurant Fee | | 3,143 |
| Total | \$ | 5,424 |
| 2020 Total BID Estimates | \$ | 200,000 |
| Added by Project | | 5,424 |
| % Added | | 2.7% |
| Total BID Revenues | \$ | 205,424 |

Source: Santa Ana Business License Tax Fee Schedules, BID 2020 Assessment Report

In closing, it is our privilege to assist The Concord Group and your client Red Oak Investments with predevelopment activities on this project. Please let us know if you have any questions or comments pertaining to the findings of this report.

Sincerely,



James Simon, Principal