

Exhibit J

**CITY OF FRESNO
CATEGORICAL EXEMPTION
ENVIRONMENTAL ASSESSMENT FOR
DEVELOPMENT PERMIT APPLICATION NO. P21-00420**

THE PROJECT DESCRIBED HEREIN IS DETERMINED TO BE CATEGORICALLY EXEMPT FROM THE PREPARATION OF ENVIRONMENTAL DOCUMENTS PURSUANT TO ARTICLE 19 OF THE STATE CEQA GUIDELINES.

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PROJECT LOCATION: 63 West Shaw Avenue; located on the southeast corner of North Glenn and West Shaw Avenues in Fresno, California.

APN: 425-092-13
(Council District 4)

PROJECT DESCRIPTION: Development Permit Application No. P21-00420 was filed by Matthew Brown of YBA Architects, on behalf of UPHoldings, and pertains to ±2.25 acres of property located at the location noted above. The subject property is located in the CMX (*Corridor/Center Mixed-Use*) zone district which permits multi-family and commercial uses subject to a Development Permit.

This project is exempt under Section 15332/Class 32 of the California Environmental Quality Act (CEQA) Guidelines.

Section 15332/Class 32 (Class 32/In-Fill Development Projects) of the CEQA Guidelines exempts from the provisions of CEQA, projects characterized as in-fill development, which meet the following conditions:

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

The subject property is located within the Fresno General Plan and the Bullard Community Plan, which designate the subject property for Corridor/Center Mixed-Use planned land uses.

The project, as described in Finding A, is consistent with the following Fresno General Plan goals, objectives and policies related to residential land use and the urban form:

Goals

Goal 1: Increase opportunity, economic development, business, and job creation.

Goal 7: Provide for a diversity of districts, neighborhoods, housing types (including affordable housing), residential densities, job opportunities, recreation, open space, and educational venues that appeal to a broad range of people throughout the City.

Goal 8: Develop Complete Neighborhoods and districts with an efficient and diverse mix of residential densities, building types, and affordability which are designed to be healthy, attractive, and centered by schools, parks, and public and commercial services to provide a sense of place and that provide as many services as possible within walking distance.

Goal 10: Emphasize increased land use intensity and mixed-use development at densities supportive of greater use of transit in Fresno.

Goal 15: Improve Fresno's visual image and enhance its form and function through urban design strategies and effective maintenance.

The proposed mixed-use development would provide ground floor live-work units and a café that would cumulatively result in the creation of jobs, job growth, and opportunity for not only those living outside of the mixed-use development, but those living within the development.

The proposed mixed-use development includes primarily multi-family affordable housing units, job opportunities with live-work spaces, and open space. The open space for the mixed-use development includes 2,710 sq. ft. of public open space including a children's play area and community green space, as well as 5,155 sq. ft. dedicated as a private communal roof space for the residents with a roof deck and green/amenity areas.

The proposed mixed-use development provides for affordable multi-family housing options that are not currently provided along the major street corridor of West Shaw Avenue between North Maroa and North Blackstone Avenues. The West Shaw Avenue corridor in this location does provide for a bus route with a frequency of service interval of 15 minutes or less during the morning and afternoon peak commute periods. Furthermore, the proposed mixed-use development project will be conditioned to construct a bus bay along the West Shaw Avenue frontage, and the closest Bus Rapid Transit ("BRT") station along North Blackstone Avenue is only approximately 550 feet from the proposed breezeway entrance of the mixed-use development. There are also a plethora of commercial and office uses in close vicinity along West Shaw Avenue and North Blackstone Avenue.

These goals contribute to the establishment of a comprehensive citywide land use planning strategy to meet economic development objectives, achieve efficient and equitable use of resources and infrastructure, and create an attractive living environment in accordance with Objective LU-1 of the Fresno General Plan.

Objectives

Objective UF-1 emphasizes the opportunity for a diversity of districts, neighborhoods, and housing types.

Objective UF-12 emphasizes to locate roughly one-half of future residential development in infill areas – defined as being within the City on December 31, 2012 – including the Downtown core area and surrounding neighborhoods, mixed-use centers and transit-oriented development along major BRT corridors, and other non-corridor infill areas, and vacant land.

Objective LU-1 establishes a comprehensive citywide land use planning strategy to meet economic development objectives, achieve efficient and equitable use of resources and

infrastructure, and create an attractive living environment.

Objective LU-2 plans for infill development that includes a range of housing types, building forms, and land uses to meet the needs of both current and future residents.

Objective LU-5 calls for a diverse housing stock that will support balanced urban growth, and make efficient use of resources and public facilities.

Objective D-1 calls to provide and maintain an urban image that creates a “sense of place” throughout Fresno.

Objective MT-2 calls for efficient use of the City’s existing and proposed transportation system and strive to ensure the planning and provision of adequate resources to operate and maintain it.

Objective MT-5 calls for the establishment of a well-integrated network of pedestrian facilities to accommodate safe, convenient, practical, and inviting travel by walking, including for those with physical mobility and vision impairments.

Objective MT-8 calls for providing public transit options that serve existing and future concentrations of residences, employment, recreation and civic uses and are feasible, efficient, safe, and minimize environmental impacts.

Objective POSS-1 calls for providing an expanded, high quality and diversified park system, allowing for varied recreational opportunities for the entire Fresno community.

Policies

Policy UF-1-a supports development projects that provide Fresno with a diversity of urban and suburban neighborhood opportunities.

Policy UF-1-d emphasizes provisions for a diversity and variation of building types, densities, and scale of development in order to reinforce the identity of individual neighborhoods, foster a variety of market-based options for living and working to suit a large range of income levels, and further affordable housing opportunities throughout the City.

Policy UF-1-e promotes and protects unique neighborhoods and mixed use areas throughout Fresno that respect and support various ethnic, cultural and historic enclaves; provide a range of housing options, including furthering affordable housing opportunities; and convey a unique character and lifestyle attractive to Fresnoans. Support unique areas through more specific planning processes that directly engage community members in creative and innovative design efforts.

Policy UF-1-f promotes to use Complete Neighborhood design concepts and development standards to achieve the development of Complete Neighborhoods and the residential density targets of the General Plan.

Policy UF-12-d facilitates the development of vertical and horizontal mixed-uses to blend residential, commercial, and public land uses on one or adjacent sites. Ensure land use compatibility between mixed-use districts in Activity Centers and the surrounding residential neighborhoods.

Policy UF-12-h explores opportunities to provide shared parking within mixed-use designations to reduce the need to construct large parking lots or structures needed for peak use times only.

Policy LU-1-a promotes new development, infill, and rehabilitation of existing building stock in the Downtown Planning Area, along BRT corridors, in established neighborhoods generally south of Herndon Avenue, and on other infill sites and vacant land within the City.

Policy LU-2-a promotes development of vacant, underdeveloped, and re-developable land within the City Limits where urban services are available by considering the establishment and implementation of supportive regulations and programs.

Policy LU-2-b establishes a priority infill incentive program for residential infill development of existing vacant lots and underutilized sites within the City as a strategy to help to meet the affordable housing needs of the community.

Policy LU-5-h supports housing that offers residents a range of amenities, including public and private open space, landscaping, and recreation facilities with direct access to commercial services, public transit, and community gathering spaces.

Policy D-1-a requires all new multi-family residential development along BRT and other transit or pedestrian-oriented streets (Collector and Local), including high-rise, townhomes or other units, to provide direct pedestrian street access and to promote walkable connectivity, individualization, family-friendly development, identity, and street safety to the maximum extent reasonably feasible.

Policy D-1-b encourages all new development located within Activity Centers and/or along BRT corridors to incorporate active ground floor frontages that engage pedestrians to the maximum extent feasible. Establish pedestrian-oriented design standards in the Development Code for building frontages, transparency, fenestration, and entries to create active streetscapes.

Policy D-1-g considers adopting and implementing incentives to replace existing large surface parking lots in centers with parking structures, and to incorporate them into high-density mixed-use developments.

Policy D-1-h considers requiring all new development with parking in Activity Centers and along corridors to be screened or concealed. Locate principal pedestrian entrances to new non-residential buildings on the sidewalk; any entrances from parking areas should be incidental or emergency use only.

Policy MT-2-b calls for providing incentives for infill development that would provide jobs and services closer to housing and multi-modal transportation corridors in order to reduce citywide vehicle miles travelled.

Policy MT-5-a calls for the pursuit of funding and implement standards for development of sidewalks on public streets, with priority given to meeting the needs of persons with physical and vision limitations; providing safe routes to school; completing pedestrian improvements in established neighborhoods with lower vehicle ownership rates; or providing pedestrian access to public transportation routes.

Policy MT-5-b calls for the assurance of adequate access for pedestrians and people with disabilities in new residential developments per adopted City policies, consistent with the California Building Code, and the Americans with Disabilities Act.

Policy MT-8-c calls for the continued review of development proposals in transportation corridors to ensure they are designed to facilitate transit. Coordinate all projects that have residential or employment densities suitable for transit services, so they are located along existing or planned transit corridors or that otherwise have the potential for transit orientation to FAX, and consider FAX's comments in decision-making.

Policy POSS-1-d strives to obtain additional parkland of sufficient size to adequately serve underserved neighborhood areas and along BRT corridors in support of new and intense residential and mixed use infill development.

Development Code

Pursuant to Table 15-1102 of the Fresno Municipal Code (FMC), "Multi-Unit Residential" uses are permitted in the CMX (Corridor/Center Mixed-Use) zone district by-right, with the exception that residential units are not allowed on the ground floor of portions of the site which abut a major street but allowed in the interior of all sites. The proposed project will have live-work units along West Shaw Avenue (major street) that proposes commercial in the front and living units in the back.

The proposed project will be conditioned to comply with the development standards pursuant to FMC Sections 15-1104 and 15-1105 subject to the Conditions of Approval dated June 24, 2022.

The proposed project will include 100 percent affordable housing for the multi-family component. Pursuant to FMC Articles 21 and 22, the proposed project is allowed a bonus to density and height, as well as an additional three concessions/incentives.

TOD Height and Density Bonus

FMC Article 21 (TOD Height and Density Bonus) applies to projects that include all three of the following:

- *The project site is located entirely within an MX District or a CMS District;*
- *The project site is located within 500 feet of an existing or planned Bus Rapid Transit station or a station for a similar enhanced transit service as determined by the Review Authority or is located within ½ mile of the Manchester Transit Center; and,*
- *The project will provide one of the following public benefits:*
 - *A Public Plaza per Section 15-1104-E.1.c; or*
 - *Qualifying public art at the discretion of the Review Authority; or*
 - *Ninety percent or greater frontage coverage along the street which features the Bus Rapid Transit route or other enhanced transit route.*

The subject property is entirely within the CMX (Corridor/Center Mixed Use) zone district. The subject property has frontage along West Shaw Avenue, which currently has the Fresno FAX Bus Route 9 that allows for a 15-minute frequency on weekdays between 6:00 a.m. – 6:00 p.m. This 15-minute frequency service is not typical of most non-BRT bus routes and is considered an enhanced transit service. The project proposes over 90 percent of the frontage coverage along the major street (West Shaw Avenue) which features the

enhanced transit route (Bus Route 9).

The proposed project complies with the requirements of FMC Section 15-2102. Pursuant to FMC Section 15-2103, the proposed project is allowed up to a 25 percent bonus to height and 100 percent bonus to density.

The proposed height of the building is 70'-6" where the CMX zone district requires a maximum of 60 feet. A bonus of up to 25 percent allows for a maximum building height of 75 feet. At the proposed 70'-6", the proposed building height complies with the maximum building height requirements of the CMX zone district with a height bonus pursuant to FMC Section 15-2103.A.

The proposed density of the proposed multi-family component of the project is 54.67 dwelling units per acre ("du/ac"). The proposed maximum density allowed in the CMX zone district is 30 du/ac. A bonus of up to 100 percent allows for a maximum density requirement of 60 du/ac. At the proposed 54.67 du/ac, the proposed density complies with the maximum density requirements of the CMX zone district with a density bonus pursuant to FMC Section 15-2103.B.

Affordable Housing Concessions/Incentives

FMC Section 15-2205 (Affordable Housing Concessions and Incentives) allows for a certain number of concessions or incentives dependent upon the percentage of households for the entire multi-family component of the project.

The maximum allowed is three concessions or incentives for projects that include one of the following:

- At least 30 percent of the total units for lower income households; or,
- At least 15 percent for very low-income households; or
- At least 30 percent for persons and families of moderate income in a condominium or planned development.

The proposed project will include 100 percent of the total units for lower income households. This allows for three concessions or incentives for the project.

The applicant's requested concessions or incentives include reduced parking, reduced building setbacks, and reduced landscaping setbacks.

Pursuant to FMC Section 15-2205.C.2.b.ii.3, a 100 percent affordable transit-serviced development allows for 0.5 parking spaces per unit. Pursuant to FMC Table 2408, the total number of parking spaces required for the project is 125 parking spaces. With the reduced parking allowance per FMC Section 2205.C.2.b.ii.3, the minimum required number of parking spaces is 62. The proposed site plan indicates that 128 parking spaces are provided. Conditions of approval regarding landscaping setbacks may slightly reduce the number of parking spaces, although it would result in excess of the minimum required 62 parking spaces.

Pursuant to FMC Section 15-2205.C.4,a reduction in the building setback (specific to accessory buildings) and landscape setback is requested to allow for a minimum 5-foot setback for both where FMC Section 15-1104.B.2 requires a rear yard setback of 20 feet for all structures, including accessory structures, and where FMC Table 15-2305-C-1 requires a Type 2 Landscape Buffer which is a minimum 15 feet in width. These two concessions or incentives allow for a minimum 5-foot rear yard setback for structures and

landscaping to allow for the proposed solar shade parking structures to be constructed at least 5 feet and a landscape planter to be installed 5 feet within the rear yard setback.

These concessions will be conditioned to require the property owner and City to enter into a recorded agreement in the form of a covenant to allow for these concessions or incentives, but assuring that the required low income ownership units are provided and that the units remain affordable to low income households for the required minimum 30 year period or longer as required by financing assistance or subsidy program.

Therefore, it is staff's opinion that the proposed project is consistent with respective general and community plan objectives and policies, and the applicable zoning designation and regulations of the Development Code, and will not conflict with any applicable land use plan, policy or regulation of the City of Fresno.

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

The State of California Governor's Office of Planning and Research states that infill development "refers to building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas. The proposed project is located within City limits, occurs on a vacant site of approximately ±2.25 acres, which is less than the five-acre maximum, and is surrounded by other urban uses. Across North Glenn Avenue to the west are single-family residential uses and offices, across West Shaw Avenue to the north are offices and various commercial businesses, adjacent to the east are various commercial businesses and adjacent to the south are a mix of single-family and multi-family residential uses.

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

The project site is currently vacant and has previously disturbed land that has historically been used as a temporary Christmas Tree sales lot. Immediately surrounding the subject property are streets and high volumes of traffic, which are generally prohibited corridors for species migration, and the site habitat has no trees which would attract birds or other species. As previously stated in Finding b, the site is substantially surrounded by residential, office, and commercial development, and has historically and periodically been utilized as a temporary Christmas Tree sales lot; therefore, the site has no value as habitat for endangered, rare, or threatened species.

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

The proposed project was routed to the San Joaquin Air Pollution Control District, the City of Fresno Public Utilities Department-Water Division, Fresno Metropolitan Flood Control District, and no significant effects were identified relating to traffic, noise, air quality, or water quality.

Traffic

Senate Bill (SB) 743 requires that relevant CEQA analysis of transportation impacts be conducted using a metric known as vehicle miles traveled (VMT) instead of Level of Service (LOS). VMT measures how much actual auto travel (additional miles driven) a proposed project would create on California roads. If the project adds excessive car travel onto our

roads, the project may cause a significant transportation impact.

The State CEQA Guidelines were amended to implement SB 743, by adding Section 15064.3. Among its provisions, Section 15064.3 confirms that, except with respect to transportation projects, a project's effect on automobile delay shall not constitute a significant environmental impact. Therefore, LOS measures of impacts on traffic facilities is no longer a relevant CEQA criteria for transportation impacts.

CEQA Guidelines Section 15064.3(b)(4) states that "[a] lead agency has discretion to evaluate a project's vehicle miles traveled, including whether to express the change in absolute terms, per capita, per household or in any other measure. A lead agency may use models to estimate a project's vehicle miles traveled and may revise those estimates to reflect professional judgment based on substantial evidence. Any assumptions used to estimate used to estimate vehicle miles traveled and any revision to model outputs should be documented and explained in the environmental document prepared for the project. The standard of adequacy in Section 15151 shall apply to the analysis described in this section."

On June 25, 2020, the City of Fresno adopted CEQA Guidelines for Vehicle Miles Traveled Thresholds, pursuant to Senate Bill 743 to be effective of July 1, 2020. The thresholds described therein are referred to herein as the City of Fresno VMT Thresholds. The City of Fresno VMT Thresholds document was prepared and adopted consistent with the requirements of CEQA Guidelines Sections 15064.3 and 15064.7. The December 2018 Technical Advisory on Evaluating Transportation Impacts in CEQA (Technical Advisory) published by the Governor's Office of Planning and Research (OPR), was utilized as a reference and guidance document in the preparation of the Fresno VMT Thresholds.

The City of Fresno VMT Thresholds adopted a screening standard and criteria that can be used to screen out qualified projects that meet the adopted criteria from needing to prepare a detailed VMT analysis.

The City of Fresno VMT Thresholds Section 3.0 regarding Project Screening discusses a variety of projects that may be screened out of a VMT analysis including specific development and transportation projects. For development projects, conditions may exist that would presume that a development project has a less than significant impact. These may be size, location, proximity to transit, or trip-making potential. For transportation projects, the primary attribute to consider with transportation projects is the potential to increase vehicle travel, sometimes referred to as "induced travel."

The proposed project is eligible to screen out because pursuant to the City of Fresno VMT Thresholds Section 3.0 (Project Screening), the following attributes presume that the project creates a less than significant impact:

- The project is within 0.5 miles of a Transit Priority Area or a High-Quality Transit Area; and,*
- The project involves local-serving retail space of less than 50,000 square feet; and,*
- The project has a high level of affordable housing units; and,*
- The proposed mixed-use (commercial and multi-family) is located in area with low VMT for both residential and employment uses per the screening map provided by LSA based on the Fresno County Average VMT per Capita.*

The above criteria are further specified under Finding a above.

Noise

The project is a new mixed-use building that will incorporate ground-floor live-work units and above-ground multi-family dwelling units. The site is adjacent on one side (not separated by a street) to single-family and multi-family uses.

Noise generated by the project would be minimal towards North Glenn and West Shaw Avenues because the entirety of public communal areas (outside of the proposed transit station along West Shaw Avenue) are proposed in the interior of the project site where a four- and five-story I-shaped building along the majority of those street frontages, and a required six-foot masonry block wall along the rear property, would baffle exterior noise excluded from the front and side of the proposed project. The private communal open roof space on top of the fourth floor along the North Glenn Avenue frontage would create noise from residents that would essentially travel above the majority of single-family residents in the immediate vicinity.

In any case, the project is conditioned to comply with all applicable noise standards of the Citywide Development Code.

Air Quality

The project is conditioned to comply with any applicable regulations and conditions from the San Joaquin Valley Air Pollution Control District provided on October 28, 2021 and the project is subject to review by the agency in regard to air quality during construction and operation. The project as described will not occur at a scale or scope with potential to contribute substantially or cumulatively to existing or projected air quality violations or impacts.

Water Quality

Fresno Metropolitan Flood Control (FMFCD) provided comments on October 19, 2021, which stated that conveyance should be directed towards the southeast (North Glenn Avenue) and northeast (West Shaw Avenue) areas of the property onto permanent drainage facilities. On-site grading will be reviewed by the City of Fresno Building Division and FMFCD for compliance with storm water conveyance and pollution prevention.

The applicant will be required to comply with all requirements of the City of Fresno Department of Public Utilities memorandum dated October 19, 2021 that will reduce the project's water impacts to less than significant. When Development Permits are issued, the subject site will be required to pay drainage fees pursuant to the Drainage Fee Ordinance.

Therefore, compliance with conditions of approval dated June 24, 2022 will ensure that the proposed project will not result in any significant effects relating to traffic, noise, air quality, and water quality.

e) The site can be adequately served by all required utilities and public services.

The project has been routed to various utilities and public service providers which have provided project conditions for development of the project. The site has been reviewed and

conditioned by the Fresno Irrigation District, Fresno Metropolitan Flood Control District, Fresno County Environmental Health Division, City of Fresno Public Works Department, City of Fresno Public Utilities Department, and the City of Fresno Fire Department.

In addition, given the surrounding properties and neighborhoods have been substantially developed and utilities and public services already exist in the area, the site can be adequately served by all required utilities, including sewer, water, and solid waste, as well as public services.

None of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to the project. Furthermore, the proposed project is not expected to have a significant effect on the environment. A categorical exemption, as noted above, has been prepared for the project and the area is not environmentally sensitive.

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