

BORDER ISSUES STATUS REPORT

Revised January 5, 2010

The following is a listing of the history and most recent status of all of the Border Issues that are currently being monitored by the City.

PROPOSED BUTCHER RANCH SUBDIVISION, PALOS VERDES DRIVE NORTH BETWEEN PALOS VERDES DRIVE EAST AND MONTECILLO DRIVE (CITY OF ROLLING HILLS ESTATES)

- *Last Update: April 4, 2006*

On July 10, 2002, the City received a Notice of Preparation (NOP) and Initial Study for the proposed Butcher residential subdivision in the City of Rolling Hills Estates. The subject property is a 6.41-acre site near the northeast corner of Palos Verdes Drive North and Palos Verdes Drive East. The developer proposes to create twelve residential lots and a private street parallel to Palos Verdes Drive North. The project requires a number of discretionary approvals by the City of Rolling Hills Estates, including a General Plan Amendment and Zone Change, a Tentative Tract Map and a Grading application.

The Initial Study identifies a number of potentially significant environmental impacts in the areas of land use and planning, earth resources, water, air quality, transportation and circulation, biological resources, risk of upset, noise, utilities, aesthetics and cultural resources. The subject property is also located adjacent to the site of the proposed new RE/MAX Palos Verdes office building and across the street from Rolling Hills Covenant Church, which is also planning a major expansion (see discussion above). A public scoping meeting for the Butcher subdivision was held on July 31, 2002, but Staff was unable to attend. However, Staff intended to prepare written comments on the NOP and forward them to the City of Rolling Hills Estates prior to the August 23, 2002 public comment deadline.

On August 12, 2002, Staff forwarded NOP comments to the City of Rolling Hills Estates. These comments identified potential issues of concern in the areas of biological resources, transportation/traffic, hazards and land use planning. Staff intended to review the draft EIR once it was available and provide further comments on this project.

As of July 1, 2003, the proposed project had been withdrawn and was being re-designed to address issues raised in the original Initial Study (IS). Staff expected to review and comment upon the revised IS upon its receipt from the City of Rolling Hills Estates.

While reviewing the Rolling Hills Estates website on September 14, 2004, Staff noted that the Butcher Ranch project had been revised to include the RE/MAX property at 2483 Palos Verdes Drive North. The revised project now proposes thirteen (13) residential lots, a commercial recreation lot adjacent to the existing Jack Kramer Tennis

Club and a new local street connecting to Montecillo Drive. The City of Rolling Hills Estates will prepare a revised Initial Study to determine the nature and extent of the environmental review required for the revised project. Staff expects to comment on this revised Initial Study in the near future.

On July 25, 2005, the City of Rolling Hills Estates released the revised Initial Study/Mitigated Negative Declaration (IS/MND) for the Butcher Ranch project, identifying a number of potentially-significant environmental impacts in the areas of Aesthetics, Biological Resources, Utilities, Cultural Resources, Air Quality, Geology/Soils, Land Use/Planning and Transportation/Traffic. A second revised IS/MND was released by the City of Rolling Hills Estates on August 17, 2005. On September 15, 2005, Staff forwarded comments on the IS/MND to the City of Rolling Hills Estates, focusing on impacts related to the importation of fill to the site. The Rolling Hills Estates Planning Commission was scheduled to review this project on September 19, 2005.

At the September 19th meeting, the Rolling Hills Estates Planning Commission continued the matter to a date uncertain to allow the City's environmental consultant to respond to comments by the California Department of Fish and Game, and to allow the applicant to consider reducing the quantity of grading proposed. With respect to the concern regarding the possible importation of fill, it was clarified that the grading operation would be balanced on site.

On November 1, 2005, the Rolling Hills Estates Planning Commission again considered this proposed 12-home subdivision at the northeast corner of Palos Verdes Drive North and Palos Verdes Drive East. The Planning Commission sent the project back to the developer again for further redesign. Staff expects that the revised project will be re-noticed for public review and comment some time in early 2006.

On January 17, 2006, the Rolling Hills Estates Planning Commission recommended denial of the proposed *Butcher Ranch* subdivision to the Rolling Hills Estates City Council on the basis that the proposed grading of 41,600 cubic yards was excessive and did not retain the natural topography of the existing site; the project design proposed undesirably small lot widths in the westerly portion of the proposed tract; the project design should have avoided filling of the ravine area in the westerly portion of the project site or included off-site mitigation for the loss of the ravine area; and additional environmental review should have been performed specifically related to the loss of the ravine area, which might warrant the preparation of a full Environmental Impact Report (EIR) rather than a Mitigated Negative Declaration (MND). The Rolling Hills Estates City Council was scheduled to act on this recommendation on February 14, 2006 but, at the project proponent's request, the matter was continued to a date uncertain to allow further re-design of the project. Staff will continue to monitor this proposal in the future.

SAN PEDRO FACILITY RESTORATION ADVISORY BOARD (DEPARTMENT OF DEFENSE)

- *Last Update: January 5, 2010*

On August 19, 2002, the City received public notice for the annual meeting of the San Pedro Facility Restoration Advisory Board (RAB). The meeting was intended to provide an open forum for the discussion of the environmental investigations and clean-up activities at the Defense Fuel Support Point San Pedro Facility and adjacent housing areas on Western Avenue and Palos Verdes Drive North. Staff attended the August 28, 2002 meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The repair of ten leaking underground fuel storage tanks;
- A phytoremediation test site, which is testing the effectiveness of using plants to treat groundwater contamination;
- The timelines and funding availability for the clean-up of three other contaminated dump sites on the property; and,
- Monitoring of a capped dump site adjacent to the Palos Verdes housing site, a portion of which is leased to Marymount College.

There was also a presentation by the Peninsula Land Conservancy regarding its efforts to restore coastal sage scrub habitat and monitor the population of the Palos Verdes blue butterflies on the site.

There was no new information presented at the RAB meeting regarding the status of the transfer of the San Pedro and Palos Verdes housing sites to the various agencies identified by the San Pedro Reuse Committee in 1999. A portion of the housing along Taper Avenue was transferred to the Archdiocese of Los Angeles in 2001 for the possible future expansion of Mary Star of the Sea High School.

At the January 7, 2003 City Council meeting, Councilmember McTaggart reported that he had received a copy of the Finding of No Significant Impact (FONSI) for an Integrated Natural Resources Management Plan (INRMP) for the Navy's Defense Fuel Support Point (DFSP) San Pedro. The adoption of the INRMP is related to the clean-up of soil contamination at DFSP San Pedro and the transfer of the former Navy housing sites.

On October 1, 2003, the RAB held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The repairing and relining leaking underground fuel storage tanks;

- A progress report on the phytoremediation test site, which is testing the effectiveness of using poplar trees to treat groundwater contamination;
- The timelines and funding availability for the clean-up of three other contaminated dump sites on the property, which is not likely to begin until 2007;
- The monitoring of a capped dump site adjacent to the Palos Verdes housing site, a portion of which is leased to Marymount College;
- A presentation by the Palos Verdes Peninsula Land Conservancy regarding its on-going efforts to restore coastal sage scrub and Palos Verdes blue butterfly habitat on the site; and,
- An update on the environmental clearances for the former Navy housing sites.

With respect to this last issue, Navy personnel stated that the Navy had issued a Finding of Suitability to Transfer (FOST) for the San Pedro/John Montgomery site, thereby clearing the way for its sale. However, a FOST had not yet been issued for the Palos Verdes site.

On August 18, 2004, the RAB held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- A progress report on the remediation of contaminated soils and groundwater along North Gaffey Street, including the phytoremediation test site which uses poplar trees to treat groundwater contamination;
- The latest timelines and funding availability for the clean-up of three remaining contaminated dump sites on the Navy property, which is not likely to begin until 2007 and be completed until 2009;
- A presentation by the Navy's natural resources expert regarding its on-going efforts to restore critical habitat, monitor population and conduct captive breeding of the Palos Verdes blue butterfly on the site;
- The status report of the regular monitoring of a capped dump site within the former Palos Verdes housing site, portion of which have been transferred to Marymount College and Rolling Hills Preparatory School; and
- An update on the status of the transfer of the remainder of the former Navy housing sites.

With respect to this last issue, Navy personnel stated that portions of the Palos Verdes housing site had been quitclaimed to Marymount College and Rolling Hills Preparatory School in April 2004 and August 2004, respectively. It was also announced that the

seventy-six (76) units of homeless housing on the Palos Verdes site would be granted to Volunteers of America (VOA) rather than to South Bay Crossings. Navy personnel also commented briefly upon the upcoming Internet auction of the San Pedro/John Montgomery housing site.

On October 27, 2005, the Restoration Advisory Board (RAB) held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The latest timelines and funding availability for the clean-up of the three (3) remaining contaminated dump sites on the Navy property, which is scheduled to begin in 2007 and be completed by 2009;
- The status report of the regular monitoring of a capped dump sites within the former Palos Verdes housing site, the remaining portions of which have been transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America in accordance with the approved 1999 reuse plan, and the status of the disposal of the remaining property containing the Palos Verdes blue butterfly habitat to an appropriate stewardship group or agency;
- A progress report on the remediation of contaminated soils and groundwater along North Gaffey Street, including the phytoremediation test site which uses poplar trees to treat groundwater contamination, and the regular repair and maintenance of the existing underground and aboveground fuel storage tanks; and,
- A presentation by the Barbara Dye of the Palos Verdes Peninsula Land Conservancy regarding on-going efforts to restore critical habitat, monitor population and conduct captive breeding of the Palos Verdes blue butterfly on the site;

At the conclusion of the meeting, the RAB members in attendance agreed to receive annual updates on these issues from the Navy, but to only meet biannually. As such, the next RAB meeting was expected to be held in Fall 2007, although Staff received no notice of any such meeting. However, Staff did recently receive a fact sheet on August 7, 2008.

Based upon the information in this fact sheet, it appears that the Navy is preparing to “close the books” on some formerly-contaminated portions of the Palos Verdes Navy Housing site so that they may be transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America.

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on December 15, 2009. Staff was unable to attend the meeting, but based upon the meeting agenda, it appears that the Navy has “closed the books” on the environmental remediation of the former San Pedro and Palos Verdes Drive North housing sites. The

former San Pedro site is now the location of the proposed *Ponte Vista* project, while the former Palos Verdes Drive North site has been transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America. In the future, the RAB will only deal with environmental remediation at the active Defense Fuel Support Point (DFSP) San Pedro. Staff will continue to monitor this project in future Border Issues reports.

PONTE VISTA PROJECT AT FORMER SAN PEDRO NAVY HOUSING SITE (CITY OF LOS ANGELES/SAN PEDRO)

- *Last Update: October 6, 2009*

There was no new information presented at the August 28, 2002 San Pedro Facility Restoration Advisory Board (RAB) meeting regarding the status of the transfer of the San Pedro and Palos Verdes housing sites to the various agencies identified by the San Pedro Reuse Committee in 1999. A portion of the housing along Taper Avenue was transferred to the Archdiocese of Los Angeles in 2001 for the possible future expansion of Mary Star of the Sea High School.

On September 13, 2002, Staff spoke with Navy personnel regarding the transfer of the housing sites. According to the Minutes of the August 2001 RAB meeting, the transfer of these properties was being held up by the issue of Palos Verdes blue butterfly habitat on and adjacent to the housing sites. Consultations between the Navy and the US Fish and Wildlife Service (USFWS) over the Navy's proposed habitat plan reached an impasse in early 2002, which was only broken when the Navy agreed that it would retain ownership of a critical habitat area adjacent to the Palos Verdes housing site. Under this scenario, the various proposed recipients of the properties—including Marymount College—would be responsible for dealing individually with USFWS if any critical habitat issues arose on their respective properties as a result of their proposed reuse and/or redevelopment. However, the City of Los Angeles apparently objects to this scenario and has asked the Department of Housing and Urban Development (HUD)—which is the last Federal agency that needs to approve the transfer of the properties—to withhold any action on the San Pedro Reuse Plan until its concerns are addressed. Navy personnel indicated that HUD could unilaterally approve the Reuse Plan over the City of Los Angeles' objections but has been understandably reluctant to do so. Nevertheless, the Navy believed that the transfer of the housing sites could be finalized by early 2003.

On October 28, 2002, the *Daily Breeze* reported that the impasse regarding the transfer of the former Navy housing sites had been broken, largely due to the efforts of Congresswoman Jane Harman and Los Angeles City Councilwoman Janice Hahn. The transfer of the property to the City of Los Angeles was expected to be complete by the end of 2002. As a part of the property transfer, the Navy will set aside a 10-acre fenced preserve for the Palos Verdes blue butterfly, to be maintained and monitored by the a land conservancy group. The housing sites will ultimately be transferred to Marymount College, Rolling Hills Preparatory School, South Bay Crossings and the Kenny

Nickelson Memorial Foundation for Homeless Veterans, all of whom were identified in the 1999 base reuse plan. However, the Harbor-UCLA Research and Education Institute (REI), which was slated to redevelop approximately 46.5 acres of the Western Avenue housing site, withdrew its plans for the site. With the withdrawal of REI, its portion of the San Pedro housing site will be put up for bid sale by the Navy in early 2003. The former REI portion—which is zoned R-1 and contains approximately 190 dwelling units—is expected to generate interest from the residential development community.

On January 18, 2003, the Los Angeles *Times* reported that HUD was slated to make a final decision on the 1999 reuse plan in late January 2003, pending resolution of a revived dispute between the City of Los Angeles and Volunteers of America (VOA), a homeless advocacy group. VOA was one of the original applicants for the reuse of the former Navy housing, but was not one of the final recipients identified in the 1999 plan. VOA had been trying to increase the number of dwelling units set aside for low-income families and the homeless, particularly since the units formerly allocated to REI are now “up for grabs” with the withdrawal of REI’s proposal for the San Pedro housing site. The South Bay *Daily Breeze* subsequently reported on February 5, 2003, that the City of Los Angeles and VOA failed to reach a compromise, and the 1999 reuse plan was forwarded to HUD as originally approved.

On March 8 and 9, 2003, the *Times* and the *Daily Breeze*, respectively, reported that HUD had rejected the 1999 reuse plan for the former Navy housing sites. In a letter to the City of Los Angeles, HUD stated that the 1999 reuse plan did not adequately balance economic development and the needs of the community’s homeless. HUD further suggested that at least seventy-six (76) additional dwelling units be set aside for low-income housing, possibly within the San Pedro housing site on Western Avenue. HUD has given the City of Los Angeles ninety (90) days to develop a revised plan to address its concerns.

On May 6, 2003, Staff in the office of Los Angeles City Councilwoman Janice Hahn advised the City that neither Councilwoman Hahn nor Los Angeles Mayor James Hahn proposed or supported any alteration to the 1999 reuse plan. The Councilwoman’s Staff indicated that the City of Los Angeles was working on a response to HUD’s concerns, which was scheduled to be transmitted to HUD. Ultimately, the City of Los Angeles did not respond to HUD’s concerns by the June 7, 2003 deadline, effectively reiterating its endorsement of the original 1999 reuse plan.

On June 20, 2003, Staff contacted Navy personnel regarding the next steps in the property transfer process. Based upon the City of Los Angeles response (or lack thereof) to HUD’s comments about the 1999 reuse plan, HUD has sixty (60) days to issue a final determination regarding the disposal of the property. If HUD stands by its previous position that at least seventy-six (76) additional units be set aside for low-income housing, then HUD has the authority to decide what agency or entity will receive those units. Pending HUD’s final determination, the Navy has made no decision regarding the disposition of the housing sites. However, once a final determination is

issued, the Navy will transfer the property based upon the allocation program outlined in the 1999 reuse plan (as modified by HUD). Any unallocated portions of the property (i.e., the former Harbor-UCLA Research and Education Institute portion) will be put up for public sale to the highest bidder.

HUD rejected the 1999 reuse plan for the former Navy housing sites in San Pedro on August 13, 2003. According to Los Angeles City Councilwoman Janice Hahn's office, the Navy now plans to auction off the Western Avenue portion of the property to the highest bidder. As mentioned previously, the property is zoned R-1 and would be expected to be developed with market-rate single-family homes.

On September 8, 2003, a representative of Councilwoman Hahn's office made a presentation to the Northwest San Pedro Neighborhood Council regarding the disposition of the former Navy housing sites in light of HUD's rejection of the 1999 reuse plan. Also present at the meeting were representatives of Marymount College, Rolling Hills Preparatory School and Volunteers of America (VOA).

Councilwoman Hahn's representative made it clear that HUD's request for seventy-six (76) additional units for the homeless was only a recommendation to the Navy, which has the final authority to determine the allocation of the property. She further stated that the Navy has indicated that it intends to comply with "spirit" of the 1999 reuse plan and the "intent" of HUD's recommendation. To this end, the Navy expects to transfer all of the property on the Palos Verdes site in general accordance with the 1999 reuse plan. However, with the exception of one acre and two structures allocated to the Kenny Nickelson Memorial Foundation for Homeless Veterans, the balance of the San Pedro/John Montgomery site—containing two hundred forty-five (245) dwelling units—will be put up for Internet bid auction, and potential bidders will be advised of their obligation to provide for seventy-six (76) units of homeless housing. This obligation can be satisfied by 1) buying out the homeless services providers (i.e., VOA and San Pedro Enterprise Community (SPEC)) for the value of the units; 2) agreeing to provide the units on-site as a part of a future development project; or 3) some combination of both of these alternatives. The Navy now hopes to dispose of all of its former housing by the end of 2003.

At the annual San Pedro Facility RAB meeting on October 1, 2003, Navy personnel stated that the Navy had issued a Finding of Suitability to Transfer (FOST) for the San Pedro/John Montgomery housing site, thereby clearing the way for its sale. However, a FOST had not yet been issued for the Palos Verdes site.

In response to Councilman Clark's comments at the October 7, 2003 City Council meeting, Staff contacted Los Angeles City Councilwoman Janice Hahn's office regarding any further action by the City regarding the transfer of the housing sites. According to Staff in the Councilwoman's office, the transfer of the housing sites is proceeding and the City of Los Angeles is not taking any further action to delay it or to re-open the process to another reuse committee. On November 5, 2003, Staff prepared a draft letter to the Navy expressing the City Council's position that the reuse plan

should be implemented and the housing sites transferred as approved by the reuse committee and the Los Angeles City Council in 1999. This letter was finalized and sent to the Navy on November 6, 2003.

On March 10, 2004, Staff and Councilman Wolowicz attended a meeting with Navy representatives to discuss the status of the transfer of the former Navy housing site with 25 to 30 concerned residents in the area, including Rancho Palos Verdes residents from the *Rolling Hills Riviera* and *Palo de Encino* neighborhoods. The meeting featured Elise Swanson of Los Angeles Councilwoman Janice Hahn's office, John Hill and Kimberly Kessler with the Navy and Chad Molnar of U.S. Congresswoman Jane Harman's office.

Mr. Hill briefly recapped the history of the 1999 reuse plan and its rejection by the U.S. Department of Housing and Urban Development (HUD) in August 2003. He reported that the educational conveyances of portions of the Palos Verdes site to Marymount College and Rolling Hills Preparatory School were moving forward. He noted that the conveyance of 76 units of the Palos Verdes site to South Bay Crossings for homeless housing was still held up with HUD, which is assessing South Bay Crossings' ability (financial and otherwise) to implement their proposed project. He also reconfirmed that the San Pedro site would be put up for public bid auction this summer, with the winning bidder obligated to provide 76 units of homeless housing for Volunteers of America (VOA). This obligation could be met by providing these units on site, or negotiating to "buy out" VOA for the value of all or a part of these units. Mr. Hill also stated that, in the event that HUD does not "sign off" South Bay Crossings' proposal, the 76 units on the Palos Verdes site would also be awarded to VOA.

In response to many attendees' concerns about VOA's intentions regarding the San Pedro site, Ms. Swanson stated Councilwoman Hahn has been working actively with VOA to find an alternative off-site location for these 76 units of homeless housing. She said that the Councilwoman has met with VOA and representatives of a church in Watts to discuss such an alternative, and that VOA has expressed interest in other site options for these units.

Many attendees questioned HUD's determination rejecting the 1999 reuse plan, and asked what (if anything) could be done now to change this determination. It was the consensus of Mr. Hill, Ms. Kessler and Ms. Swanson that there was little or no chance of changing HUD's determination. Mr. Hill stated that the Navy would not question or challenge HUD's determination regarding the additional 76 homeless units because the Federal statute regulating the procedures for base closures gave this authority to HUD, while the Navy has no expertise in homeless housing matters. He also stated that this was the only case of which he was aware where HUD rejected the reuse plan for former Navy property, and that there were no provisions in the Federal statute to allow the community to formally "step back into" the process if a reuse plan is rejected. In response to questions from attendees, Mr. Molnar stated that he would try to find out the basis for HUD's selection of 76 as the number of additional homeless units needed, which appeared to be an arbitrary number to many people.

Marymount College's acquisition of an 11.3-acre portion of the former Navy housing site on Palos Verdes Drive North on May 10, 2004 was reported in the *Daily Breeze* and *Palos Verdes Peninsula News* on May 11th and May 13th, respectively. The 86 townhouse units had been leased from the Navy for student and faculty housing since 1998.

Staff understands that the Navy has been pre-qualifying bidders for the auction of the San Pedro housing site. One of the potential bidders is the Westgate Group, who is proposing to construct a 140-unit condominium project on adjacent property in the City of Los Angeles (see discussion below). The website for the auction of the Navy housing site (<http://www.PonteVista.com>) was up and running by the end of July 2004. The property is being marketed as *Ponte Vista* to homebuilders through Colliers Seeley, a major international commercial real estate brokerage. According to the *Ponte Vista* website, an Invitation for Bid (IFB) is expected to be released this fall, with the bidding period to be open for a 30- to 45-day period after release of the IFB.

At the annual San Pedro Facility RAB meeting on August 18, 2004, Navy personnel stated that portions of the Palos Verdes housing site had been quitclaimed to Marymount College and Rolling Hills Preparatory School in April 2004 and August 2004, respectively. It was also announced that the seventy-six (76) units of homeless housing on the Palos Verdes site would be granted to Volunteers of America (VOA) since South Bay Crossings failed to demonstrate its ability to fulfill its obligations under the 1999 reuse plan. Navy personnel also discussed the upcoming Internet auction of the San Pedro/John Montgomery housing site.

As of late-October 2004, the Navy had not yet issued the IFB to begin the on-line auction of the *Ponte Vista* property. However, the auction website had been updated to include additional, detailed information about the portions of the property to be conveyed to VOA and the Kenny Nickelson Memorial Foundation (KNMF) for homeless housing and related services. At the end of the auction and prior to close of escrow, the winning bidder will have the opportunity to negotiate an alternative agreement with VOA and/or KNMF to "buy out" their interests, which total approximately twenty (20) acres of the 62-acre site and include seventy-six (76) existing residences and two (2) non-residential buildings. The Navy shall have final authority to approve any alternative agreement reached by winning bidder and the homeless services providers. In the event that an alternative agreement is not approved and/or executed, the Navy shall quitclaim the designated portions of the site to VOA and/or KNMF.

On November 1, 2004, the Navy issued the IFB to begin the on-line auction process for the *Ponte Vista* property. The auction itself was scheduled to begin on December 1, 2004, with a minimum opening bid of twenty-five million dollars (\$25,000,000) for the 61.53-acre site. Prospective bidders were required to post a registration deposit of one million two hundred fifty thousand dollars (\$1,250,000). The IFB also advised bidders of the obligation to provide for the designated homeless service providers (HSPs), either through an alternative agreement between the HSPs and the high bidder or through

direct conveyance of nearly twenty (20) acres of the site to the HSPs. The auction is expected to continue until at least mid- to late-December 2004.

The on-line auction for the *Ponte Vista* property began on December 1, 2004, but got off to a slow start, with only one bid submitted after nearly three weeks. On December 16, 2004, the Navy issued an amendment to the Invitation for Bids (IFB) for a revised easement description related to the homeless services providers' (HSPs') parcels. Due to the amended IFB, the auction is not expected to end until early January 2005. Once the auction ends and during the 60-day escrow period, the final high bidder will have the opportunity to negotiate alternate agreements with the designated HSPs to possibly acquire their respective interests in the *Ponte Vista* site, which encompass seventy-six (76) units and two (2) non-residential buildings on a 19.58-acre portion of the site. The Navy retains the authority to approve or disapprove any alternate agreement(s) between the high bidder and the HSPs.

The 72-hour "Call for Final Bids" in the on-line auction for the *Ponte Vista* property was issued on January 3, 2005. The number of bidders then increased to at least four (4), and the pace of bidding suddenly picked up at this point. The Navy issued an amendment to the IFB on February 17, 2005, to increase the minimum bid increment to \$500,000, presumably to speed up the conclusion of the auction. The Navy issued another IFB amendment on February 25, 2005, to increase the minimum bid increment to \$1,000,000. Shortly thereafter, the on-line auction ended on March 7, 2005. The high bid of \$88,000,000—which equates to nearly \$2,100,000 per acre—was submitted by "guildmortge" and the second highest bidder was "richmar." The high bidder is only guaranteed to receive a 41.95-acre portion of the 61.53-acre property, with the remaining balance of the property to be conveyed to the designated HSPs unless alternate agreements are reached between the high bidder and the HSPs. The actual identities of the two highest bidders had not been revealed by the time this report was completed. Also, in a *Daily Breeze* article on March 9, 2005, Los Angeles City Councilwoman Janice Hahn—in whose district the *Ponte Vista* property is located—was quoted as supporting the inclusion of Little League fields in the future residential development project. Staff continued to monitor the progress of the sale through the end of the auction and the 60-day escrow period, including the status of any alternate agreements that may be reached between the final high bidder and the HSPs.

In a *Daily Breeze* article on April 6, 2005, the high bidder in the *Ponte Vista* auction ("guildmortge") identified himself as Bob Bisno of Century City-based Bisno Development Company. Based upon comments attributed to Mr. Bisno, it appears that he intends to develop the site with high-density multi-family units, and to construct substantially more units than the two hundred forty-five (245) homes that currently exist on the site. The property is currently zoned R-1 by the City of Los Angeles, so it is expected that a change in zoning will be required to implement the developer's proposal. However, Mr. Bisno has expressed confidence that he will reach agreements with the designated HSPs to buy out their interests in a 19.58-acre portion of the 61.53-acre site.

A *Daily Breeze* article on July 13, 2005, reported that Bisno Development was preparing to submit an application to develop the former Navy housing site with 2,300 townhouses and condominiums. As part of the project, a portion of the development would be dedicated for senior housing and a senior recreation center. Additionally, it was reported that the developer proposed to set aside forty percent (40%) of the project site as open space, and to construct four (4) baseball diamonds for San Pedro's Eastview Little League. Plans were expected to be submitted to the City of Los Angeles during the week of July 18th. The *Daily Breeze* article noted the concerns of neighboring homeowners' associations and Councilwoman Janice Hahn's office regarding the scale of the project and the potential impacts it would have on the environment and surrounding neighborhoods.

On August 22, 2005, City Staff met with the developer's representatives on the project site. At that meeting, City Staff was informed that project plans had been submitted to the City of Los Angeles and were being reviewed for completeness. The developer's representatives confirmed that the project proposed 1,725 multi-family housing units and 575 senior housing units for a total of 2,300 housing units on a site that previously accommodated 245 housing units. City Staff was also informed that the 76-unit transitional homeless housing facility was no longer a part of the project.

After hearing the developer's presentation, City Staff raised brief concerns regarding impacts to Western Avenue, specifically regarding traffic volumes related to the high density of the project and the design of the street entry points to the project site. The developer's representatives informed City Staff that an advisory board, consisting of the project team and community members, would be formed to address public concerns. When asked if a community representative from the City was on the advisory board, the developer's representatives said that there was but they could not recall the individual's name. To date, it is still unknown who (if anyone) has been asked to serve on the advisory board on the City's behalf. It should also be noted that the developer's representatives intend to participate in the Western Avenue Task Force process.

On September 15, 2005, the City received a Notice of Preparation (NOP) from the City of Los Angeles notifying interested parties that an EIR would be prepared for the *Ponte Vista* project and that a public scoping meeting would be held on October 6, 2005. The public comment period was scheduled to end on October 14, 2005. Staff intended to attend the scoping meeting and report back to the Council.

At the October 6th scoping meeting, many Rancho Palos Verdes, San Pedro and Harbor City residents expressed their concerns about the project. These concerns included (but were not limited to): traffic impacts related to existing and proposed development surrounding the project site; proposed residential density that is nearly ten (10) times the number of existing units on the project site; impacts upon local schools and other public services and infrastructure; the gating of the community and limiting public access to the project's recreational amenities; the close proximity of the proposed Little League fields to the adjoining condominiums and other issues related to the design of the site; air quality impacts to surrounding residences during and after project

construction; and hazardous materials issues and the close proximity of the site to the adjoining Navy fuel depot. The City of Los Angeles also announced that the public comment period for the Notice of Preparation (NOP) would be extended to November 30, 2005 (it was originally scheduled to end on October 14, 2005). Staff prepared draft comments on the NOP for the City Council's review at the November 1, 2005, meeting, prior to their submittal to Los Angeles City Planning staff.

On November 9, 2005, a second community meeting was held for the *Ponte Vista* project. No new project information was presented at this meeting, which served primarily to give the developer's project team an opportunity to present information to the public about the project. It was also interesting to note that the developer was actively soliciting public opposition (in the form a petition) to the selection of the *Ponte Vista* site as the preferred site for a new public high school, and that the Ponte Vista Community Advisory Board was characterized to Staff by the community outreach coordinator as "friends of *Ponte Vista*." Staff asked to be provided with the names of the Rancho Palos Verdes representatives to the Advisory Board, but the developer had not done so by the date that this report was completed. Therefore, in response to the City Council's direction on November 1, 2005, the final comments on the scope of the Environmental Impact Report (EIR) for the *Ponte Vista* project were forwarded to the City of Los Angeles on November 14, 2005. The public comment period on the scope of the EIR ended on November 30, 2005. Staff expects that a draft EIR for the project may be available for public review and comment by the second quarter of 2006.

Based upon direction from the City Council at the December 6, 2005, meeting, a letter from the Mayor to Los Angeles City Councilwoman Janice Hahn was prepared on December 22, 2005. Staff continues to monitor this project, and awaits the release of the draft EIR.

On February 13, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) agendized a motion opposing a proposal by Los Angeles City Councilwoman Janice Hahn for a specific plan for the *Ponte Vista* project. The NWSPNC agreed that the entire site should be master planned, but was concerned that the NWSPNC needed a role in the process and that the Los Angeles Unified School District (LAUSD) should be included as a project stakeholder. In last-minute discussions with Councilwoman Hahn, however, she agreed to a 3-phase Neighborhood Assessment Process for the project. The phases would include an assessment of existing conditions in the northwest San Pedro area, including a proposed subdivision and new Target store at Capitol Drive and Gaffey Street; a series of focus groups in the community; and the preparation of a specific plan for the *Ponte Vista* site. Based upon these changes in Councilwoman Hahn's proposal, the NWSPNC withdrew its opposition. Staff continues to monitor this project, and awaits the release of the draft EIR.

As of late March 2006, the City had yet to receive a formal response to the December 2005 letter from Mayor Wolowicz to Los Angeles City Councilwoman Janice Hahn expressing concern about the role and function of the developer's *Ponte Vista* Advisory Board. In the meantime, on March 22, 2006, the City received a newsletter from the

Ponte Vista developer, announcing (among other things) the formation of the *Ponte Vista* Advisory Board. The Board members were characterized as “goodwill ambassadors to the community” who “assist in selecting recipients of the *Ponte Vista* community contribution grants.”

In addition to the *Ponte Vista* project, Staff has been recently made aware of two other projects in the northwest San Pedro area that may have impacts upon congestion in the Western Avenue corridor. On March 13, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) received a preliminary presentation regarding the proposed Target store on the former DiCarlo Bakery site at the northwest corner of Capitol Drive and North Gaffey Street. In addition, on March 17, 2006, the City received a public hearing notice for a proposed 134-unit condominium project on the former Kinder-Morgan tank farm site near the southwest corner of Capitol Drive and North Gaffey Street. Staff will continue to monitor these projects in the future.

In April 2006, received another community newsletter from the developer of the *Ponte Vista* project, this one focusing on the senior housing component of the project. Staff also learned that Elise Swanson, the former Director of Community Development in Los Angeles City Councilwoman Janice Hahn’s office, had left the Councilwoman’s office and been hired by Bisno Development, the *Ponte Vista* developer. Mr. Bisno also recently addressed the Northwest San Pedro Neighborhood Council (NWSPNC), although Staff was unable to attend this meeting.

On May 8, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) received a brief presentation from Councilwoman Janice Hahn’s Staff’s regarding the task force that she is assembling. The 15-member task force will advise the Los Angeles city planner assigned to the *Ponte Vista* project. The task force is expected to begin meeting in June 2006. The Rancho Palos Verdes City Council recently appointed representatives from the *Rolling Hills Riviera*, *Peninsula Verde* and *Mira Vista* neighborhoods to the *Ponte Vista* task force. Also, at the May 8th NWSPNC meeting, a representative of Bisno Development stated that the Draft EIR for the project was expected to be released for public review by the end of June 2006.

The City recently received a newsletter regarding the active adult (i.e., senior) housing component of the proposed *Ponte Vista* project.

On August 10, 2006, the Los Angeles Councilwoman Janice Hahn’s *Ponte Vista* Advisory Board convened its first meeting. The 13-member Board includes representatives of the *Peninsula Verde*, *Rolling Hills Riviera* and *Mira Verde* homeowners’ associations in the City of Rancho Palos Verdes.

In opening remarks by Councilwoman Janice Hahn, she reiterated her position that 2,300 units were too much for the 62-acre site. In response, developer Bob Bisno expressed confidence that, through the specific plan process, he would demonstrate that this density was appropriate for the site. Los Angeles Principal City Planner Betsy Weisman briefly discussed the specific plan process, and its relationship to the city’s

General Plan and zoning regulations. She also noted that, as reported in the *Daily Breeze* and *Peninsula News* on August 10, 2006, the City of Los Angeles will be hiring a city planner who would be assigned specifically to the processing of the *Ponte Vista* project.

On September 14 and 21, 2006, the *Ponte Vista* Community Advisory Committee (PVCAC) held its second and third meetings, respectively. Staff was not able to attend the September 14th meeting, but from the agenda, we understand that it was primarily a “team building” meeting for PVCAC and its facilitator to identify general goals and objectives and work out how future meetings would be conducted.

The September 21st PVCAC meeting began with the distribution of a meeting schedule for the PVCAC that was prepared by the developer and the PVCAC chairman and facilitator. The schedule was immediately criticized as too aggressive, calling upon PVCAC to complete its review of the project’s specific plan by March 2007. The developer distributed a binder of information submitted to the City of Los Angeles for its proposed general plan amendment, community plan amendment and zone change. Staff obtained one of these binders, and it is available for review during regular Planning Division public counter hours. The developer also stated that this information will be posted on the *Ponte Vista* website (<http://www.pontevista.com>). Los Angeles City Planning Staff also provided a brief overview of the specific plan process, although no specific plan documents have yet been provided to PVCAC. There was also discussion about the availability of the project’s traffic study for public review. The developer stated that he was awaiting authorization from the City of Los Angeles Planning Department and Department of Transportation (LADOT) before releasing the study.

The draft environmental impact report (DEIR) for the *Ponte Vista* project was released on November 2, 2006, for a 90-day public comment period. Staff distributed a copy of the executive summary from the DEIR as late correspondence at the November 7, 2006, City Council meeting. The public comment period for the DEIR ends on January 30, 2007. Staff intends to prepare comments for the City Council’s review on January 19, 2007. The DEIR is available for review on-line at:

<http://www.pontevista.com/deir/> and <http://cityplanning.lacity.org/>

The *Ponte Vista* Community Advisory Committee (PVCAC) met on November 9, 2006, and November 30, 2006, and began reviewing the DEIR. Much of the discussion focused on the traffic study and project alternatives. PVCAC met again on January 11, 2006, and conducted a public forum to accept input on the project’s DEIR on January 18, 2006. Hundreds of people—both in support of and in opposition to the proposed project—were allowed to express their concerns directly to PVCAC. Both Staff and Councilman Wolowicz addressed PVCAC expressing the City’s concerns about the project. Los Angeles City Councilwoman Janice Hahn addressed PVCAC and forum attendees, stating that traffic was clearly the number one issue on everyone’s list of concerns about the project, and pledging to continue to pressure the Navy to gain access from the project site directly to Gaffey Street. She also stated that she opposed

LAUSD's proposal for a 2,025-seat high school on the site, suggesting that the District's needs could be better met with several smaller campuses on property that the District already owns and/or occupies in the Wilmington, Harbor City and San Pedro areas. The public comment period on the DEIR ended on January 30, 2007.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on February 8 and 27, 2007. At the February 8th meeting, Chairman John Greenwood a statement regarding PVCAC's concerns about the project's environmental impact analysis. However, the bulk of the meeting was devoted to a presentation by Los Angeles City Planning Staff regarding a proposed schedule of meetings to formulate the specific plan for the project. This process was set to begin at the February 27th meeting with a "Planning 101"-type overview of the specific plan process and basic urban design principles.

The PVCAC met on March 8 and 22, 2007. At the March 8th meeting, Los Angeles City Planning Staff facilitated the first part of a "visioning" workshop to identify the desired mix of residential, commercial, open space and linkages for the *Ponte Vista* project. PVCAC members broke into three (3) roundtable groups with Los Angeles Urban Planning Staff members. The vision plans bore some similarities to one another in terms of the mix of uses desired for the site, and all of them envisioned that some significant portion of the proposed residential units would be at a higher density than the current R-1 zoning would otherwise permit. At the March 22nd meeting, Los Angeles City Planning Staff further refined the site plans developed by the PVCAC members. The Committee reviewed and commented on the refined plans and also received a presentation from Los Angeles City Planning Staff regarding the demographics (i.e., population, housing, income, etc.) of the San Pedro Community Plan Area. During public comments, representatives of San Pedro Homeowners United and the San Pedro Peninsula Homeowners' Coalition expressed support for retaining the existing R-1 zoning of the *Ponte Vista* site. Rancho Palos Verdes Committee member Mark Wells also announced his resignation from PVCAC due to his appointment to the City's Traffic Safety Commission.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on April 12 and 26, 2007. At the April 12th meeting, Los Angeles City Planning Staff presented a composite site plan based upon the three (3) conceptual site plans and input provided by the Committee at the PVCAC meetings in March 2007. The composite site plan depicted higher density development around the perimeter of the project site, but with open space and ball fields along the southerly side. Small-scale mixed-used development was designated for the central portion of the site. The use of small groupings of attached single-family row houses along Western Avenue would preserve view corridors over the site. Accommodation was also made for the possible future site of a school. Members of the Committee were concerned that the composite plans still did not identify specific densities for the site or the location of the seniors-only portion of the project. Several members of the public spoke in favor and in opposition to both the original project proposal and the composite site plan presented at the meeting. On the whole, almost no one was satisfied that the composite site plan was reflective of the direction that the Committee saw for the *Ponte Vista* site. At the April 26th meeting,

PVCAC was scheduled to discuss traffic issues with Staff from the Los Angeles Department of Transportation (LADOT).

The *Ponte Vista* Community Advisory Committee (PVCAC) met on April 26, May 10 and May 22, 2007. At the April 26th meeting, Los Angeles Department of Transportation (LADOT) presented a summary of its additional analysis of the project's traffic study. Since the traffic study from the DEIR used existing traffic counts taken when Western Avenue was impacted by construction related to the sinkholes, new traffic counts were taken in March 2007. LADOT Staff stated that the new counts—which were higher at some locations and lower at others—did not change the basic conclusions of the developer's traffic study. However, LADOT Staff stated that the developer's use of a trip generation rate for a high-rise condominium resulted in much lower trip generation than would the use of a townhouse/condominium rate (such as was used for the *Playa Vista* project in West Los Angeles). The Committee asked LADOT to recalculate the trip generation for the project using more conservative assumptions, and determine if the proposed traffic mitigation would still be adequate to address the project's impacts. The Committee also began to discuss reaching consensus on certain key provisions of the project for its ultimate recommendations to Councilwoman Hahn. The majority of the Committee agreed that the project should include an access road for Mary Star-of-the-Sea High School, and a separate seniors-only component with transportation service for residents. However, several other key issues remained to be addressed.

At the May 10th meeting, the Committee received a follow-up report from LADOT. Based upon more conservative trip generation assumptions, LADOT concluded that the number of market-rate condominiums proposed would need to be reduced by more than one-quarter in order for the developer's currently-proposed mitigation measures to fully address the project's traffic impacts. The Committee also received a presentation from Los Angeles Unified School District (LAUSD) Staff regarding the proposed revisions to South Region High School No. 14 on the *Ponte Vista* site, which has now been scaled back from 2,025 seats to 810 seats. Finally, the Committee received a presentation from PVCAC member Jerry Gaines, based upon traffic data gleaned and studies from his experience with the Western Avenue Task Force.

At the outset of the May 22nd meeting, developer Bob Bisno announced that a revised project proposal would be announced publicly at the June 18, 2007, PVCAC meeting. PVCAC member Jerry Gaines then elaborated on his previous presentation regarding various development scenarios for the site, based upon their traffic impacts. These scenarios compared the average daily trips generated by various combinations of unit types and numbers as compared to the "by right" R-1 zoning that would permit four hundred twenty-nine (429) single-family homes. The scenarios also factored in LAUSD's proposed 810-seat high school. The Committee also discussed further refinement of and public input on the issues of traffic mitigation measures and density. Upcoming PVCAC meetings are scheduled for June 7 and 18, 2007. The June 7th meeting is scheduled to focus on density and open space, while the June 18th meeting is scheduled to focus on the developer's revised proposal.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on June 7, June 18 and June 28, 2007. At the June 7th meeting, Committee Member Gerry Gaines discussed a recent meeting between the developer and a subcommittee of PVCAC to discuss additional traffic-related improvement that could be made. In addition to the mitigation measures identified in the draft EIR, these included the recommended intersection improvements from the Western Avenue Task Force, as well as the establishment of a transportation mitigation trust fund and a mitigation monitoring program. The Committee also began to discuss possible recommendations for the density and mix of housing types for the project, but tabled the matter until the developer announces his revised project propose on June 18, 2007.

At the June 18th meeting, Bob Bisno presented his revised project proposal. The table below summarizes the major project components in the original and revised proposals.

Component	Original Project	Revised Project	Notes
Senior Housing	575 units	850 units	Senior units will remain gated
Multi-family condos and townhomes	1,725 units	1,000 units	Non-senior units no longer gated
Single-family townhomes	N/A	100 units	
Total Dwelling Units	2,300 units	1,950 units	15% reduction
Commercial	10,000 SF (private)	10,000 SF (public)	No change, but now all accessible to the public
Parks/Open Space	6 acres (public) and 6 acres (private)	12 acres (public)	
Access Road	Connecting to Mary Star-of-the-Sea High School	Connecting to Mary Star-of-the-Sea High School	Possible connection to condos on Fitness Drive

Mr. Bisno stated that the revised project will include a “San Pedro First” program, which will give purchase priority and 5-percent price discounts to local residents and other “preferred buyers” (i.e., seniors, teachers, nurses, firefighters, police officers, port workers, etc.). The senior and non-senior condominium and townhouse units with shared garages are expected to range from 600 square feet to 2,200 square feet in size, with prices from \$330,000 to \$1,100,000. The single-family townhouse units with private garages are expected to range from 2,000 to 2,400 square feet in size, with prices from \$900,000 to \$1,100,000. As noted above, all of the parks and open space would now be open to the public. In addition, Mr. Bisno is exploring the possibility of providing access to the Fitness Drive condominiums from the Mary Star-of-the-Sea High School road. With respect to traffic impacts, Mr. Bisno will fund a \$1,000,000 trust fund for intersection improvement projects on Western Avenue that were identified as priorities by the Western Avenue Task Force. A traffic signal will be added at Western Avenue and Peninsula Verde Drive, and computerized signal controls on Western Avenue will be extended further south from Weymouth Avenue to 25th Street. Mr. Bisno also agreed to pay an additional \$1,000,000 in traffic mitigation fees if the actual trip generation rates of the project exceed the projections of the project’s traffic study.

The project's traffic consultant now estimates that the PM peak-hour trip generation for the revised project will result in fewer trips than a detached single-family project under the current R-1 zoning. However, the Committee and Los Angeles City Planning Staff were skeptical of Mr. Bisno's assumptions of the maximum number of detached single-family homes possible from the property under R-1 zoning. The Draft EIR for the project estimated that 430 homes could be built, based upon 5,000 square feet of lot area per unit per net acre. However, Mr. Bisno now asserts that 724 homes could be built, based upon 5,000 square feet of lot area per unit per gross acre, plus a 35-percent State-mandated density bonus for providing affordable housing units.

Los Angeles City Councilwoman Janice Hahn attended the meeting. She stated that she was "very disappointed" with the revised proposal, noting that after two (2) years of review and public comment, a 15-percent reduction in the number of units did not seem like much of a compromise on Mr. Bisno's part.

Following the presentation of the revised proposal, the Committee continued its discussion of recommendations for the project's specific plan. At this point, the Committee seems divided between a majority who appear to support a project of roughly 1,200 or fewer units, and a minority who support limiting the number of homes to the maximum number permitted under the current R-1 zoning (whatever that number ends up actually being). The division appears to be falling largely along jurisdictional lines, with Rancho Palos Verdes Committee members supporting the R-1 concept.

At the June 28th meeting, the Committee met in closed session to discuss the process to develop its recommendations for the specific plan. The next public PVCAC meeting is scheduled for July 24, 2007. Staff will continue to attend and report upon these meetings.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on July 24, 2007. At that meeting, Chairman John Greenwood announced that the Northwest San Pedro Neighborhood Council (NWSPNC) has adopted a resolution supporting the current R-1 zoning of the *Ponte Vista* site. Subsequently, the Committee adopted two (2) resolutions. The first resolution rejected the developer's revised 1,950-unit project, which had been presented to the Committee and the public on June 18, 2007. The second resolution supported limiting the number of dwelling units to the maximum density permitted under the current R-1 zoning (roughly 429 to 535 units), and also recommended that the *Ponte Vista* site be "transferred" from the jurisdiction of the Wilmington-Harbor City Community Plan Area to the San Pedro Community Plan Area. The Committee also briefly reviewed its draft findings and recommendations to Los Angeles City Councilwoman Janice Hahn on the specific plan for the site. The final PVCAC report is scheduled to be presented for the Committee's consideration and approval on August 20, 2007, which will be its final meeting.

As the City Council directed on August 7, 2007, a letter was sent to Los Angeles City Councilwoman Janice Hahn, support the resolutions adopted by the Committee. The

Ponte Vista Community Advisory Committee (PVCAC) met for the final time on August 20, 2007. At that meeting, the Committee presented its draft final report. There were some minor modifications discussed by the Committee at the meeting that will be incorporated into the final version of the report. It should also be noted that the report included a “minority opinion” signed by five (5) of the thirteen (13) Committee members. On the whole, the Committee expressed dissatisfaction with the support provided by the City of Los Angeles over the year that the Committee deliberated, particularly the Department of Transportation.

The City of Los Angeles Planning Department continues to process Bisno Development’s revised 1,950-unit proposal, including the completion of the project EIR. Staff will continue to monitor this project and report on it in future Border Issues reports.

At the invitation of its chairman, Staff attended the monthly meeting of the Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) on November 29, 2007. Among the topics discussed—focusing mainly on development projects along the Western Avenue corridor in Rancho Palos Verdes—was a request for the City to formally ask for the Draft EIR for the *Ponte Vista* project to be recirculated. On December 12, 2007, Staff received a similar request from Mark Wells, former member of the *Ponte Vista* Community Advisory Committee and current Rancho Palos Verdes Traffic Safety Commissioner. Although Staff believes that the Draft EIR should probably be recirculated, rather than allowing the developer to simply address these issues in the “Response to Comments” in the Final EIR, at this time the City of Los Angeles (i.e. the lead agency) has not determined whether or not the document will be recirculated. If the City of Los Angeles decides not to recirculate the Draft EIR, Staff will bring this matter back to the City Council for possible action in the form of a letter to the City of Los Angeles.

On June 2, 2008, the City received notice that a public hearing would be held on the proposed *Ponte Vista* project in the City of Los Angeles. The public hearing was held on June 26, 2008, and was conducted by the City of Los Angeles’ local Advisory Agency and Hearing Officer for the purpose of accepting public testimony only. This hearing was a precursor to future public hearings before the Los Angeles City Planning Commission and the Los Angeles City Council. In the past, 15th District Los Angeles City Councilmember Janice Hahn has gone on record as opposing the project as currently proposed.

On June 13, 2008, the City received notice for the Final Environmental Impact Report (FEIR) for the *Ponte Vista* project. The FEIR must be certified by the Los Angeles City Council before any final decision is made on the project.

Councilman Wolowicz and Staff attended the *Ponte Vista* public hearing on June 26, 2008, and presented our concerns to the Hearing Officer. Los Angeles City Councilwoman Janice Hahn was also in attendance and reiterated her support of the recommendations of her *Ponte Vista* Community Advisory Committee, rejecting the 1,950-unit project and supporting the current R-1 density on the site. The deadline to

submit comments to the Hearing Officer was extended to Friday, July 11, 2008. A letter from the Mayor was sent to the City of Los Angeles. The *Ponte Vista* project is not expected to be heard by the Los Angeles City Planning Commission until October 2008.

On August 18, 2008, Staff received a copy of an e-mail exchange between Rancho Palos Verdes resident April Sandell and Los Angeles City Planner David Olivo regarding our City's authority over *Ponte Vista* traffic mitigation measures within our jurisdiction. In his reply, Mr. Olivo stated that "any mitigation measures that occur within [Rancho Palos Verdes'] boundaries need to be approved by [Rancho Palos Verdes]." However, Staff and the City Attorney have reviewed this issue and believe that the matter is not free from doubt.

As discussed in the Draft EIR, the proposed traffic mitigation measures within the Rancho Palos Verdes segment of Western Avenue are limited to synchronization of all signalized intersections and the addition of (one) 1 northbound lane along the project frontage. There are also modifications proposed to Traffic Study Intersection Nos. 18 (Western Avenue and Avenida Aprenda) and 19 (Western Avenue and Delasonde Drive). These modifications propose restriping on Avenida Aprenda and Delasonde Drive within our City limits to add left-turn lanes. Furthermore, the proposed modifications on Delasonde Drive are expected to result in the loss of three (3) on-street parking spaces on each side of the street. In our comments on the Draft EIR, we expressed concern about the loss of these six (6) on-street parking spaces on Delasonde Drive and its impact upon the *Rolling Hills Riviera* neighborhood. These are the only mitigation measures within our City limits that were identified in the Draft EIR as being necessary to reduce the project's traffic impacts to less-than-significant levels.

In response to great public skepticism about the project's traffic study, as well as discussion by Councilwoman Hahn's *Ponte Vista* Community Advisory Committee, the developer eventually volunteered to fund the right-of-way improvements that were identified in the report prepared by the Western Avenue Task Force (WATF). This was offered as appeasement to the community, but the WATF-recommended "mitigation" is not necessary to reduce the traffic impacts of the project to less-than-significant levels (based upon the developer's traffic study and the Draft EIR). The developer has also volunteered to install a traffic signal at Western Avenue and Peninsula Verde Drive, which was also not a mitigation measure identified as necessary in the Draft EIR.

Western Avenue is a state highway (State Route 213) and its right-of-way is under the jurisdiction of CalTrans. As such, the City does not have the authority to approve or deny any of the proposed traffic mitigation measures within the Western Avenue right-of-way. CalTrans reviewed and commented upon the Draft EIR, but its comments give no indication that CalTrans would not approve the proposed mitigation measures within its jurisdiction. It should also be noted that, although some of the WATF recommendations include modifying private driveway access points along Western Avenue within the City—over which we would retain jurisdiction—the developer's offer to make these improvements is completely voluntary because they are not proposed as mitigation measures. As such it appears that the only required traffic mitigation measures over which the City has any direct authority are the proposed re-striping

projects to create left-turn lanes on Avenida Aprenda and Delasonde Drive. Our City's refusal to allow these modifications to be made could force the developer to find other ways to mitigate traffic impacts to less-than-significant levels, or could force the Los Angeles City Council to consider adopting a "Statement of Overriding Considerations" with respect to traffic impacts for the Final EIR. Given these circumstances, our City's refusal to allow these mitigation measures to be implemented might not be sufficient to prevent the City of Los Angeles' approval of the *Ponte Vista* project. Accordingly, if the City of Los Angeles were to certify the EIR and approve the project, litigation challenging those decisions is an option that the City Council would need to consider in order to prevent the project from proceeding.

The work plan for the Traffic Safety Commission, which the City Council approved at the August 19th meeting, included having the Commission conduct a "public forum" regarding the traffic impacts of this project. The City Council could direct the City's Traffic Engineer to review and evaluate the traffic studies that were prepared in connection with the EIR and prepare a report for the Commission to review. If the Traffic Engineer finds that the traffic analysis and proposed mitigation set forth in the EIR are inadequate, that report could be presented to the City of Los Angeles. Although the public comment period on the EIR has been closed (so that the City of Los Angeles could assert that it is too late for the report to be submitted), the report could provide further support for the positions that the City of Rancho Palos Verdes already has asserted, and could be used by the City to buttress its position in a lawsuit challenging the certification of the EIR and approval of the project, if that were to occur.

As a part of the recently-approved work plan for the Traffic Safety Commission, the Commission conducted a "public forum" regarding the potential traffic impacts of the proposed *Ponte Vista* project at its regular meeting on September 22, 2008. The meeting was attended by roughly a dozen concerned citizens, including the representatives of the "R Neighborhoods Are 1" group, the Northwest San Pedro Neighborhood Council and the former *Ponte Vista* Community Advisory Committee. Public comments focused upon the perceived inadequacies of the traffic impact analysis and proposed mitigation measures identified in the *Ponte Vista* EIR. The City's Traffic Engineer was in attendance at the meeting, but she had not yet completed her review of the traffic impact analysis and proposed mitigation. However, she will be preparing a summary report of her review of the project EIR and the public comments that were received at the Traffic Safety Commission meeting. In addition, there will be minutes of the meeting to memorialize the comments of the public and members of the Traffic Safety Commission.

On a related note, Staff was informed that the City of Los Angeles' Citywide Planning Commission (CPC) is tentatively scheduled to hold a public hearing on the *Ponte Vista* project on December 11, 2008. A public hearing before the Harbor Area Planning Commission will be held sometime just before the CPC hearing, but the exact date has not yet been set by early October 2008.

The City's Traffic Engineer completed her review of the traffic impact analysis and proposed mitigation for the *Ponte Vista* project on October 22, 2008. The major conclusions of this review were that:

- The traffic impact analysis is technically adequate and contains "no obvious errors in...methodology or conclusions....";
- The reduced 1,950-unit project will have less impact on Rancho Palos Verdes residents than the original 2,300-unit proposal, but these impacts will still be significant; and,
- The proposed parking for the Little League baseball fields will not be adequate without additional mitigation measures.

On a related note, Staff received confirmation of two (2) upcoming public hearings on the *Ponte Vista* project. A public hearing before the Harbor Area Planning Commission (HAPC) will be held on Tuesday, November 18, 2008, at 4:30 PM at the Port of Los Angeles administrative offices, 425 S. Palos Verdes St., San Pedro, CA 90731. A public hearing before the City of Los Angeles' Citywide Planning Commission (CPC) will be held on Thursday, December 11, 2008, at 8:30 AM at Los Angeles City Hall, 200 N. Spring St., Los Angeles, CA 90012. It should be noted that, on October 21, 2008, the Coastal San Pedro Neighborhood Council asked the Los Angeles City Attorney to opine on potential conflicts of interest for three (3) HAPC members. If these Commissioners all recuse themselves, there may not be a quorum present to consider the *Ponte Vista* project at the November 18, 2008 public hearing. Staff planned to attend both public hearings.

On November 6, 2008, the City received notice that the vesting tentative tract map (VTTM 63399) associated with the *Ponte Vista* development entitlements had been denied by the City of Los Angeles Advisory Agency. In denying VTTM 63399, the Hearing Officer for the Advisory Agency found that:

- The proposed subdivision map was inconsistent with the Wilmington-Harbor City Community Plan with respect to the proposed density of the development relative to surrounding neighborhoods;
- The design of the proposed subdivision was inconsistent with the Wilmington-Harbor City Community Plan with respect to its lack of access to major commercial centers and transit routes;
- The project site was not suitable for the type of development proposed, particularly with respect to certain designated open-space lots; and,
- The project site was not suitable for the proposed density of development when compared to surrounding neighborhoods.

The Advisory Agency's decision was appealable to the City of Los Angeles Citywide Planning Commission (CPC). Staff has been advised that the project developer has filed an appeal of the denial of VTTM 63399.

On November 12, 2008, the City was advised that the venue for the upcoming public hearing before the Harbor Area Planning Commission (HAPC) on November 18, 2008, had been changed from the Port of Los Angeles headquarters to the Warner Grand Theatre in San Pedro. However, on November 14, 2008, the City received notice that the HAPC meeting was canceled without explanation. Los Angeles City Planning Staff indicated that the hearing might be rescheduled or might not be held at all, since the function of the hearing is solely to accept testimony and forward comments (but not recommendations) to the CPC. On November 20, 2008, Staff learned that the HAPC hearing has apparently been rescheduled for Tuesday, December 2, 2008, at 4:30 PM at the Boys' and Girls' Club, 100 W. 5th St., San Pedro, CA 90731.

On November 21, 2008, the Los Angeles City Planning Department released the draft Staff report for the December 11, 2008, public hearing before the Los Angeles City Planning Commission (CPC). The draft Staff report recommends denial of the *Ponte Vista* project as proposed, on the basis of inconsistency with the Los Angeles General Plan Framework and the Wilmington-Harbor City and San Pedro community plans, as well as the latest and best trends and practices in urban in-fill development. The draft report also recommends denying the developer's appeal of the recent denial of the vesting tentative tract map associated with the project, and recommends not certifying the project's EIR. The report goes on to offer constructive guidelines to revise the *Ponte Vista* project so as to achieve a design that would be more compatible with the surrounding communities in both San Pedro and Rancho Palos Verdes. These guidelines include limiting the density of the project so as to allow between 775 and 886 dwelling units on the site.

Shortly after the release of the draft Staff report recommending denial of the project, the developer asked for the continuance of the December 11, 2008, CPC public hearing. On December 1, 2008, the Los Angeles City Planning Department agreed to reschedule the CPC hearing for February 12, 2009. In the meantime, however, the project was still set for HAPC review on December 2, 2008.

As reported previously, project opponents had challenged the HAPC's authority to conduct a public hearing on the *Ponte Vista* project on the basis that three (3) of the five (5) Commissioners had conflicts of interest. The matter was referred to the Los Angeles City Attorney's office. Ultimately, two (2) Commissioners recused themselves from discussion of the project. In addition, one Commissioner resigned from the HAPC (reportedly for reasons not related to the *Ponte Vista* project) and another was unable to attend the December 2, 2008, meeting. Therefore, the only Commissioner available and eligible was HAPC President Michael Ponce.

On December 2, 2008, HAPC President Ponce conducted a "special meeting," accompanied by HAPC Staff and representatives of the Los Angeles City Planning Department. Planning Staff presented an overview of the draft Staff report and recommendation. The developer's legal counsel appeared briefly but made no presentation. Among the crowd of roughly a hundred (100) people, there appeared to be no project supporters or members of the developer's public outreach team. Of the

twenty (20) or so public speakers, only the developer's attorney spoke in favor of the project. The other speakers—including representatives of the Northwest and Coastal San Pedro neighborhood councils, the cities of Rancho Palos Verdes and Lomita, and several homeowners' associations—all voiced support for the draft Staff report. Los Angeles City Councilwoman Janice Hahn was also in attendance, and she encouraged the developer to carefully consider Planning Staff's recommendations and to revise the project accordingly. At the conclusion of public testimony, HAPC President Ponce "discussed" the matter and made a "recommendation" in support of Councilwoman Hahn's comment, although he noted that he believed that the maximum permitted density of the project should be allowed to exceed the current R-1 zoning.

On December 12, 2008, the *Daily Breeze* reported that developer Bob Bisno had been "ousted" by the project's major investor, Credit Suisse. Shortly after the first of the year, the *Ponte Vista* website stated that the developer intended to ask for a continuance of the February 12, 2009 CPC hearing. On January 12, 2009, Staff confirmed that the CPC hearing on *Ponte Vista* had been rescheduled for Thursday, April 9, 2009, at 8:30 AM at Los Angeles City Hall, 200 N. Spring St., Los Angeles, CA 90012. The CPC will consider both the development applications and the appeal of the vesting tentative tract map denial.

On February 3, 2009, Staff was contacted by the head of the developer's public outreach team, Elise Swanson, to set up stakeholder interviews regarding the revised *Ponte Vista* project. Staff and Mayor Pro Tem Wolowicz were scheduled to meet with the interview facilitator on February 25, 2009. As of the date that this report was completed, Mayor Clark was also attempting to schedule a meeting with the facilitator.

An open house to solicit input on the revised project from the general public was scheduled for Thursday, March 12, 2009 from 4:00 PM to 8:00 PM at Peck Park Community Center, 560 N. Western Ave., San Pedro, CA 90732. In addition, as of the date of this report the Los Angeles Citywide Planning Commission (CPC) is still scheduled to consider the *Ponte Vista* project on Thursday, April 9, 2009.

On February 25, 2009, Staff and Mayor Pro Tem Wolowicz met with the developer's interview facilitator, Jim Oswald. We expressed our continued concerns about the traffic impacts and proposed density of the project. We again suggested that the project's Environmental Impact Report (EIR) was flawed and needed to be revised and recirculated by the City of Los Angeles. We recommended that the developer make a more concerted effort to obtain alternate access to the project site from Gaffey Street so as to relieve the traffic burden on Western Avenue. We noted that the previous developer's "threat" of invoking State density bonus law had only served to antagonize the community and introduce greater uncertainty into the project. We expressed skepticism at the developer's ability to respond to stakeholders' comments and revise the project accordingly in time to have the matter heard by the Los Angeles Citywide Planning Commission (CPC) on April 9, 2009. We also expressed our disappointment at the previous developer's disingenuous "public outreach" efforts, and our hope that the

new development team would truly take the community's concerns about the project to heart.

An open house to solicit input on the revised project from the general public was held on March 12, 2009, at Peck Park in San Pedro. Staff attended the open house for about an hour. There was no formal presentation; instead the developer set up "stations" around the room to solicit public input on specific topics and issues. The developer did not present a detailed revised plan or project description. However, the developer did state that the revised "land-use plan" would include the following:

- A total unit count of 1,375 to 1,475 units, consisting of:
 - 625 to 700 townhomes
 - 300 to 450 age-restricted (i.e., senior) condominiums
 - 350 to 425 non-age-restricted condominiums
- A set-aside of twenty percent (20%) of all units as "workforce housing," but no statutorily affordable units or density bonus request
- 8,000 to 10,000 square feet of commercial space available to residents and the general public
- Elimination of youth baseball fields
- Building heights, residential density and number of access points on Western Avenue in excess of the Los Angeles Planning Department's recommendations

A second community open house was scheduled for Saturday, March 28, 2009, at the Boys' and Girls' Club in San Pedro. As of the date that this report was completed, the developer still intended to present the revised project to the Los Angeles Citywide Planning Commission (CPC) on April 9, 2009.

On March 28, 2009, Staff attended the developer's second open house for the revised *Ponte Vista* project. At the developer's previous open house on March 12, 2009, the developer only provided a possible range of units, indicating the project would be reduced from 1,950 units to between 1,375 and 1,475 units. At the March 28th open house, the developer confirmed that the revised project now proposes 1,395 units, consisting of 630 townhomes, 385 condominiums and 380 age-restricted (i.e., senior) condominiums.

On April 9, 2009, Staff and Mayor Pro Tem Wolowicz attended the Los Angeles City Planning Commission (CPC) meeting on downtown Los Angeles. Los Angeles City planning Staff presented their recommendation to deny the 1,950-unit proposal and the related appeal of the tentative tract map. The developer presented an overview of the new 1,395-unit proposal to the CPC, asking for "approval in concept" of this revised proposal in spite of the fact that it had not yet been reviewed by Planning Staff. The developer also stated that he was willing to waive his right to request a density bonus pursuant to SB 1818.

Los Angeles City Councilwoman Janice Hahn addressed the CPC, stating that she supports the Planning Staff's recommendation of 775 to 886 units on the *Ponte Vista*

property. She acknowledged that the developer's revised proposal was a step in the right direction, but stated that the size of the project had still not been reduced enough. She stated that the traffic study for the project must be re-done. She asked for an opinion from the City Attorney regarding the enforceability of the developer's offer to waive his rights under SB 1818. She also questioned if the ATSAC improvements for Western Avenue were already funded, and if so, could the monies that the developer proposed to expend to implement ATSAC be spent on other traffic mitigation.

Mayor Pro Tem Wolowicz addressed the CPC, providing an overview of our city's past comments and concerns about the *Ponte Vista* project. He stated that the developer's proposal to reduce the size of the project was still not adequate to address the adverse impacts that the project would have upon residents and businesses in both San Pedro and Rancho Palos Verdes. He observed that Western Avenue has no excess capacity to absorb the traffic from the *Ponte Vista* project as currently proposed, and stated that our city supported the Planning Staff's recommendations. A representative of the City of Lomita also addressed the CPC and expressed similar concerns to our own. The CPC then received roughly one-half hour each of public comments from project proponents and opponents.

After closing the public hearing, the CPC questioned Planning Staff and deliberated for another half-hour or so. At the conclusion of its deliberations, the CPC unanimously accepted the Planning Staff recommendation to reject the 1,950-unit proposal and the related appeal of the tentative tract map. Included in the motion, however, was direction for Planning Staff to continue to work with the developer on the revision of the project to implement Planning Staff's recommendations. A status report is expected to be presented to the CPC at its regular meeting on Thursday, August 13, 2009. Staff intends to attend this meeting.

On June 3, 2009, the *Daily Breeze* reported that the new development team for the *Ponte Vista* project was launching another round of community interviews to solicit public input on the revised 1,395-unit proposal. Staff has not been contacted for additional input, nor is Staff aware that any City officials have been approached by the *Ponte Vista* development team. At this time, the Los Angeles Citywide Planning Commission (CPC) is still scheduled to receive a status report on the revised project on August 13, 2009.

On August 4, 2009, Planning Staff and the City Manager met with the developer's interview facilitator, Jim Oswald. We expressed our continued concerns about the traffic impacts and proposed density of the revised 1,395-unit project. Mr. Oswald indicated that the developer was in discussions with the Department of City Planning on a proposal with fewer units, although no firm number had yet been reached. He also indicated that the project's Environmental Impact Report (EIR) was going to be revised and recirculated by the City of Los Angeles. Mr. Oswald said that the developer hoped to have a revised proposal to present to the public by Fall 2009.

On August 13, 2009, the Los Angeles City Planning Commission (CPC) received a status update on the project from the Department of City Planning. Since there was no formal revised project to be discussed by the CPC, Staff did not attend the meeting. However, we understand that the project planner, David Olivo, told the CPC that Planning Staff has met several times with the developer to go over development concepts in light of the Planning Staff-recommended guidelines and parameters that were presented to the CPC at the previous public hearing in April 2009. Mr. Olivo said that he expects another couple of months of dialogue with the developer before the revised project is finalized and the revised EIR is re-circulated. Staff will continue to monitor this project in future Border Issues reports.

On September 8, 2009, the *Daily Breeze* reported that former *Ponte Vista* developer Bob Bisno had filed for bankruptcy.

LOS ANGELES COUNTY GENERAL PLAN UPDATE (COUNTY OF LOS ANGELES)

- *Last Update: October 2, 2007*

On November 22, 2002, the City received a copy of the Notice of Preparation (NOP) and Initial Study for a comprehensive update and amendment to the Los Angeles County General Plan. The project generally proposes to revise County growth policies by updating population and housing projections; revise and expand the boundaries of Significant Ecological Areas (SEA's) to reflect recent biological surveys; revise the land use policy maps and other related general plan maps, plans and exhibits, and convert them to a digital computer format; revise the transportation policy maps to reflect recent updates and revisions to the County's transportation network; revise the Conservation and Open Space element to incorporate the requirements of the National Pollutant Discharge and Elimination System (NPDES); and revise the boundaries of several County "islands" to reflect recent incorporations.

The Initial Study identifies a number of potentially significant environmental impacts in the general areas of hazards, resources, services and other categories. Revisions to the County's general plan would potentially affect the use and development of property on the Peninsula within the *Academy Hills*, *Westfield* and *The Estates* communities, as well as the South Coast Botanic Garden. In addition, Crenshaw Boulevard between Palos Verdes Drive North and Silver Spur Road is located in unincorporated territory, while Hawthorne Boulevard from Pacific Coast Highway to Palos Verdes Drive West is a designated County highway (Route N7). It should also be noted that the SEA's depicted in the project description appear to include the landslide moratorium area and other large portions of the City, as well as the entire coastline of the Peninsula.

The County conducted a series of public scoping meetings between December 2, 2002 and December 10, 2002 to solicit input on the preparation of the draft Environmental Impact Report (EIR) for this project. The deadline for public comments on the NOP was originally December 23, 2002, but has been extended to February 23, 2003.

Based upon the City Council's input at the January 7, 2003 City Council meeting, Staff forwarded comments on the NOP to the County on January 14, 2003. Staff anticipated that a draft Environmental Impact Report and a draft County General Plan would be available for review and comment in late Spring 2003, although this was not the case.

On January 20, 2004, the City received notice of the release of a Draft Preliminary General Plan from the County. The deadline for comments on the document is June 1, 2004, and a community workshop was held in the unincorporated Rosewood community (near El Segundo Boulevard and the Harbor (110) Freeway) on March 9, 2004. The workshop was very lightly attended. County Staff presented an overview of the general plan update process, and distributed copies of the County's *Shaping the Future 2025*, which presents County Staff's draft language for the general plan goals and policies. Several more workshops were held during March 2004, and two more will be held during April 2004.

County Staff expects to have a draft of the General Plan and EIR prepared by the end of this year, with hearings before the Regional Planning Commission and the Board of Supervisors in 2005. On April 6, 2004 and May 4, 2004, Staff presented draft comments on the County General Plan update for the City Council's review. Staff finalized these comments and submitted them to the County on May 6, 2004.

The City previously commented on the County's General Plan update on May 6, 2004, raising many issues of concern with respect to the unincorporated areas of the Peninsula. On July 6, 2007, Staff was advised of the availability of the Draft Preliminary General Plan. Public comments on the document are due by August 30, 2007. Staff will review the preliminary draft to see if our previous comments have been adequately addressed, and will forward comments to the County by the end of the comment period. The document is available for review on-line at:

<http://planning.lacounty.gov/spGPMMain.htm>

On September 18, 2007, the City received acknowledgement from the County of our comments on the Preliminary Draft General Plan. Our comments of August 30, 2007, raised many of the same issues of concern with respect to the unincorporated areas of the Peninsula that we had originally raised in 2004. These included the potential 50-percent increase in residential density in the *Westfield* and *Academy Hills* neighborhoods; corrections to the County's Highway Plan maps; inaccurate depictions of sensitive habitat areas on the Peninsula; noise impacts associated with major roadway traffic and aircraft over-flights; the future use of the former Palos Verdes Landfill site; and the anticipated number of new housing units to be allocated to the unincorporated area of the Peninsula by SCAG. Staff now awaits the release of the draft EIR associated with the General Plan update, and will report back to the City Council on this matter in a future Border Issues report.

CHANDLER RANCH/ROLLING HILLS COUNTRY CLUB PROJECT (CITIES OF ROLLING HILLS ESTATES AND TORRANCE)

- *Last Update: July 7, 2009*

On March 24, 2003, the *Daily Breeze* reported that the Chandler Quarry Reuse Committee had begun to review a conceptual plan for the reuse of the Chandler Quarry site in Rolling Hills Estates. According to the City of Rolling Hills Estates website, the City of Rolling Hills Estates established the Committee “to determine the opportunities, problems and potential benefits which may result from the undertaking of a program to convert the Chandler Landfill and the Rolling Hills Country Club into a new and productive use that is consistent with the General Plan, the property owners and the surrounding community.” The Committee includes representatives of the cities of Rolling Hills Estates, Torrance and Lomita, the property owners (i.e., Chandler’s, Inc. and the Rolling Hills Country Club), and the surrounding residential neighborhoods. The 220-acre site is located mostly in Rolling Hills Estates, with small portions encroaching upon the cities of Torrance and Lomita. This area has been designated in the Rolling Hills Estates General Plan for Commercial Recreation and Very Low Density Residential (i.e., one dwelling unit per acre) land uses. Additional information is available on the Rolling Hills Estates website at:

<http://www.ci.rolling-hills-estates.ca.us/comm-issues/chandler/index.htm>

The conceptual plan described in the *Daily Breeze* includes expanding the current 6,112-yard Rolling Hills Country Club golf course to 7,000 yards; relocating and enlarging the existing, 30,000-square-foot clubhouse by 10,000 to 15,000 square feet; and constructing 160 to 200 new homes. Apparently, a similar but larger project (i.e., 600 homes) was proposed in the mid 1980’s, but never moved forward in the face of strong community opposition. The *Daily Breeze* article notes that geology and hydrology studies for the project have been underway for more than a year. Staff expects that an Environmental Impact Report (EIR) will be prepared for the project at some point.

On September 7, 2004, the Rolling Hills Estates City Council and Planning Commission held a joint workshop on the reuse of the Chandler landfill site. Representatives of the Rolling Hills Country Club presented a conceptual site plan and scale model of the project to decision makers and residents of Rolling Hills Estates and Torrance (portions of the Chandler property are located in Torrance). The current plans call for 129 single-family homes, the expansion and relocation of the existing Rolling Hills Country Club clubhouse to 45,000 square feet and the lengthening of the course to 7,000 yards. As reported in the *Peninsula News* and *Daily Breeze* on September 9, 2004, many attendees were concerned about the design of the proposed subdivision and the safety of the project with respect to its potential to trigger landslides on downslope properties, such as occurred on Carolwood Lane in Torrance. Staff will continue to monitor this project in future Border Issues reports.

On November 25, 2004, the Palos Verdes Peninsula News reported that the Chandler landfill had refused two truckloads of debris from a controversial, illegal disposal site in the City of Huntington Park. The material in question was debris from the 1994 Northridge earthquake that had been stockpiled on a property in Huntington Park for the past decade. Cleanup of that site was ordered in 2001. Residents in the vicinity of the stockpile had characterized the debris as toxic, although the California Integrated Waste Management Board tested the material and found no toxins. However, once Rolling Hills Estates residents heard of the proposed importation of this material to Chandler's and expressed their concerns, Chandler's decided not to accept the material.

On April 28, 2005, the *Daily Breeze* reported that the City of Torrance has expressed willingness to consider swapping jurisdiction with the City of Rolling Hills Estates over approximately forty-eight (48) acres of the Chandler quarry. Such a swap would result in any future development of the quarry falling entirely within Rolling Hills Estates. According to the *Daily Breeze*, Torrance expects to receive cash and equivalent acreage elsewhere as compensation for the land swap.

On June 26, 2007, the Rolling Hills Estates City Council and Planning Commission held a joint workshop to receive a presentation of the latest proposal for the reuse of the Chandler Quarry site on Palos Verdes Drive East. The revised plans call for one hundred twelve (112) single-family homes, the expansion and relocation of the existing Rolling Hills Country Club clubhouse to 53,000 square feet, and the lengthening of the course to 7,000 yards. The selection of the consultant to prepare the project's environmental impact report (EIR) is expected in the near future. Staff will continue to monitor this project and report on it in future Border Issues reports.

On August 14, 2007, the Rolling Hills Estates City Council awarded a contract for the preparation of an Environmental Impact Report (EIR) for the reuse of the Chandler Quarry site on Palos Verdes Drive East. Staff will continue to monitor this project and report on it in future Border Issues reports.

On January 10, 2008, the City received the Notice of Preparation and Initial Study (NOP/IS) for the Draft EIR for the *Chandler Ranch*/Rolling Hills Country Club project (formerly the Chandler Quarry Reuse Plan). The proposed project would redevelop the 225.5-acre Chandler's Palos Verdes Sand and Gravel facility and the adjacent Rolling Hills Country Club properties. The project would reconfigure/relocate the existing golf course and construct a new clubhouse complex for the Rolling Hills Country Club. The new golf course facility would primarily be located on the land that currently comprises the Chandler's Palos Verdes Sand and Gravel facility. Reconfiguring/relocating the Rolling Hills Country Club would allow the current golf course land to be redeveloped with a residential community consisting of one hundred twelve (112) single-family residences. The project also includes dedicating a 4½- to 5-acre portion of the site to the City of Torrance to be preserved as permanent open space as part of the adjacent Alta Loma Park.

A public scoping meeting on the Draft EIR for the *Chandler Ranch*/Rolling Hills Country Club project was held on January 31, 2008. Although many potential issues of concern were discussed by residents of Rolling Hills Estates, Torrance and Lomita—including geology, hydrology and traffic—a recurrent issue was that the proposed project involves eliminating the current equestrian overlay zoning and makes no provisions for horsekeeping or equestrian trails.

On February 6, 2008, Staff forwarded comments on the scope of the Draft EIR to the City of Rolling Hills Estates. Our comments focused on the impacts of the removal of the Horse Overlay on the semi-rural quality of life on the Peninsula; and traffic impacts on Palos Verdes Drive East. The 45-day public comment period for the NOP/IS ended on February 25, 2008.

On May 4, 2009, Staff received the Notice of Completion/Notice of Availability (NOC/NOA) for the Draft Environmental Impact Report (DEIR) for the Chandler Ranch/Rolling Hills Country Club project in the cities of Rolling Hills Estates and Torrance. Since most of the project site is in Rolling Hills Estates, it is acting as the lead agency for the DEIR. The project now proposes the construction of one hundred fourteen (114) single-family homes; the reconfiguration of the existing golf course; the construction of a new 61,411-square-foot clubhouse structure; and setting aside 3.9 acres of the project site as natural open space. In our previous scoping comments for the DEIR, Staff noted our concerns regarding the impacts of the removal of the Horse Overlay on the semi-rural quality of life on the Peninsula, and the project's traffic impacts on Palos Verdes Drive East.

The 60-day public comment period for the DEIR will end on June 30, 2009. At this time, no hearings have yet been scheduled for the Rolling Hills Planning Commission or City Council to consider this project. Staff submitted comments on the DEIR on June 22, 2009, and will continue to monitor this project in future Border Issues reports.

JOINT CAL WATER-WEST BASIN MWD-EDISON INFRASTRUCTURE PROJECT IN PALOS VERDES DRIVE NORTH (CITY OF ROLLING HILLS ESTATES)

- *Last Update: April 5, 2005*

California Water Service Company (CWSC) made a presentation to the City Council regarding its master plan for the Palos Verdes District on February 17, 2004. Part of this plan envisioned placing two (2) new water mains under Palos Verdes Drive North to replace an existing line serving the westerly Peninsula (the so-called "D-500 System"); and to supplement existing supply lines to the existing reservoirs at the top of the Peninsula (the so-called "Ridge System"). Another previous Border Issue upon which the City commented in 2003 was the Harbor-South Bay Water Recycling Project, proposed jointly by the Army Corps of Engineers (ACOE) and the West Basin Municipal Water District (WBMWD) to provide reclaimed water for irrigation purposes. One of the proposed lines for this project (Lateral 6B) would be placed under Palos Verdes Drive North to serve existing and proposed golf courses and parks in Rolling Hills Estates,

Palos Verdes Estates and County territory, as well as Green Hills Memorial Park in Rancho Palos Verdes. Adding to these water line projects is a plan by Southern California Edison (SCE) to underground existing utility lines along Palos Verdes Drive North between Rolling Hills Road and Montecillo Drive. All of these projects would require construction within the public right-of-way of Palos Verdes Drive North, which is already severely impacted by traffic during peak-hour periods.

On February 22, 2005, the Rolling Hills Estates City Council heard a joint presentation by CWSC, WBMWD and SCE representatives of plans to coordinate these three infrastructure projects as a single, large project. The traffic control measures proposed to accomplish these combined projects would involve phased closures of segments of Palos Verdes Drive North over a period of at least fifteen (15) months, assuming 2-shift, 16-hour workdays. Although controlled local access to residences, businesses and schools along Palos Verdes Drive North would be maintained throughout the project, both local and through traffic would be detoured at various times onto Hawthorne Boulevard, Crenshaw Boulevard, Rolling Hills Road, Palos Verdes Drive East/Narbonne Avenue and Pacific Coast Highway.

Both the RHE City Council and members of the public had significant concerns about the proposed project. Of primary concern were the justification for elements of the project; and the number and scope of possible alternatives considered. At the conclusion of the workshop, it was the City Council's consensus that additional public workshops were necessary, as was the preparation of a formal Initial Study (IS) to identify all of the environmental effects of the proposed project. Staff intends to continue to monitor this project, and to review and comment upon the IS once it is completed.

LAING URBAN CONDOMINIUMS (CITY OF ROLLING HILLS ESTATES)

- *Last Update: July 17, 2007*

On January 31, 2007, the City received a Notice of Preparation and Initial Study (NOP/IS) for a draft Environmental Impact Report (DEIR) for a proposed mixed-use project consisting of one hundred sixty-three (163) units, 14,200 square feet of commercial space and associated off-street parking. The project proponent, Laing Urban, is also the developer of the proposed Crestridge senior housing project in Rancho Palos Verdes, which is located immediately upslope across Indian Peak Road. The proposed project would replace existing office buildings at 655-683 Deep Valley Drive and 924-950 Indian Peak Road, and would also involve stabilization of and construction on the failed slope behind the "Brickwalk" project. This project falls within the boundaries of Rolling Hills Estates' proposed Peninsula Village Overlay Zone (PVOZ), for which a Final EIR has not yet been prepared. A variance has been requested for building height, setbacks and lot coverage since the project proposes to comply with the proposed PVOZ standards, not with the existing Mixed-Use Overlay District (MUOD) standards.

The Initial Study identifies several potentially significant environmental impacts that will need to be addressed in the draft EIR. Staff attended the scoping meeting for the project on February 21, 2007, at which many issues of concern were discussed. These included geotechnical issues regarding construction on the recent landslide area; the adequacy of the proposed off-street parking; traffic impacts; and the relationship to the PVOZ project and DPEIR. On February 28, 2007, Staff forwarded comments on the scope of the DEIR for this 163-unit mixed-use project to the City of Rolling Hills Estates. The public comment period ended on March 2, 2007. Once a DEIR is released for public review and comment, Staff will bring this matter back to the City Council. In the meantime, Staff will continue to monitor this and other development projects in the *Peninsula Village* area.

On May 8, 2007, the Rolling Hills Estates City Council and Planning Commission conducted a public “first look” workshop on the Laing Urban mixed-use project. The developer provided an overview of the project, pointing out that in most respects it complied with the City’s existing Mixed-Use Overlay District (MUOD) standards. The developer also noted that the project would stabilize the failed slope that destroyed office buildings on the site several years ago. On June 23, 2007, the Palos Verdes *Peninsula News* reported that Laing Urban has offered to pay half the projected \$16-\$18 million cost to repair the landslide on the site of its proposed 169-unit mixed-use project.

SAN PEDRO COMMUNITY PLAN UPDATE (CITY OF LOS ANGELES)

- *Last Update: March 4, 2008*

On February 4, 2008, the City received the Notice of Preparation (NOP) for the Draft EIR for the San Pedro Community Plan update. The proposed project would guide development in the San Pedro area through 2030; amend the Mobility (Transportation) Element of the General Plan with respect to policies pertinent to San Pedro; and implement Plan Amendments, Zone Changes and Overlay Districts as needed to accomplish the goals and objectives of the Community Plan. A public scoping meeting on the Draft EIR was held on February 20, 2008, and the 30-day public comment period for the NOP was set to end on March 3, 2008. Staff submitted comments to the City of Los Angeles on February 12, 2008, which included a request to extend the public comment period to forty-five (45) days. We will also continue to monitor this project as the Draft EIR is prepared and circulated for additional public review and comment.

SILVER CENTER COMMERCIAL PROJECT (CITY OF ROLLING HILLS ESTATES)

- *Last Update: January 5, 2009*

On September 9, 2008, the Rolling Hills Estates City Council and Planning Commission met jointly for a “first look” at the *Silver Center* commercial project at 449 Silver Spur Road. The project proposes a 19,745-square-foot, 3-story retail and office building with three (3) levels of subterranean parking on the site of a former Unocal service station at

the southwest corner of Silver Spur Road and Crossfield Drive. The project does not include any dwelling units, although it is located within the Mixed-Use Overlay District (MUOD). The applications include a variance to exceed the maximum permitted building height.

The Staff report notes that, although the project has been scaled back in height and size as compared to the initial submittal, Rolling Hills Estates Planning Staff remains concerned about the apparent bulk and mass of the proposed building. At the joint meeting, the Rolling Hills Estates City Council and Planning Commission questioned the size of the proposed project relative to the property, and the relative lack of articulation of the proposed third story. They questioned the justification for the requested variance for a tower feature at the northeast corner of the building. They also observed that the developer's proposal for three (3) levels of subterranean parking with valet service might not be well received by the community, especially for patrons of the proposed retail uses on the ground floor of the building. An Initial Study (IS) for the project is being prepared by Rolling Hills Estates' environmental consultant. Staff intends to comment on the IS once it is released for public review.

On October 1, 2009, Staff received the Initial Study/Mitigated Negative Declaration (IS/MND) for a substantially-revised version of the *Silver Center* project. The applicant now proposes a 4,745-square-foot single-story building with three (3) retail suites and a 23-space surface parking lot. The revised project includes a number of "green" features, include a "cool roof"; pervious paving in the parking lot; bio-swales for the treatment of runoff; and dedicated parking areas for electric vehicles (including charging stations) and bicycles. The project applicant has stated an intention to achieve at least Silver LEED certification for the project.

The 30-day public comment period for the IS/MND ended on October 30, 2009. On October 19, 2009, Staff forwarded comments on the IS/MND to the City of Rolling Hills Estates. Our comments expressed our support for the revisions made to the project in the past year; identified potential light and glare impacts of the proposed project upon homes on Sunny Point Place in Rancho Palos Verdes; and suggested that the trip-generation assumptions of the proposed project be carefully considered.

A public hearing on the project was held before the Rolling Hills Estates Planning Commission on Monday, November 16, 2009. Responses to our questions about light and glare impacts and trip generation assumptions for the project and its Mitigated Negative Declaration (MND) were addressed in the Staff report. The Planning Commission was very impressed by the revisions to the project since they had first seen it in September 2008. The Planning Commission adopted a resolution approving the project and MND on November 30, 2009. Staff will remove this item from future Border Issues reports.

PROMENADE ON THE PENINSULA MIXED-USE PROJECT (CITY OF ROLLING HILLS ESTATES)

- *Last Update: February 3, 2009*

On December 15, 2008, the Rolling Hills Estates City Council and Planning Commission met jointly for a “first look” at the *Promenade on the Peninsula* mixed-use project at 520, 550 and 580 Deep Valley Drive. The project proposes sixty-six (66) residential condominiums and 16,620 square feet of additional retail space at the existing *Promenade on the Peninsula* mall. Six (6) of the proposed residences would be designated as affordable to low-income families. The project is located within Rolling Hills Estates’ Mixed-Use Overlay District (MUOD), which permits residential densities of up to twenty-two (22) dwelling units per acre. This equates to a base density of fifty-five (55) units. However, the project applicant has requested a 20-percent density bonus under State law, along with a requested development concession to substantially exceed the 44-foot building height with up to five (5) stories of condominium units above the existing commercial buildings. The additional retail space would be constructed within the mall proper and in the existing surface parking lot at the northeast corner of Crossfield Drive and Deep Valley Drive.

The Staff report noted that, given the height and number of stories proposed, Staff was concerned that the project appeared too massive. Staff recommended that the residential units be located in a less stacked and more dispersed manner. Staff further recommended that no residential component be more than two (2) stories above existing commercial uses if the units remain where currently proposed. If the residential uses were proposed in other portions of the project site, Staff recommended that they be integrated into the existing shopping center such that the overall height of the affected commercial area is no higher or more massive than the existing condition. Staff also expressed concern about the adequacy of off-street parking for the shopping center and residential uses, especially since the new commercial building would reduce the number of available parking spaces. In discussions with Staff, project representatives indicated a willingness to consider integrating a small “boutique” hotel within the project.

At the joint meeting, the project proponents presented a revised project that reduced the height of the residential components of the project; increased the anticipated number of dwelling units to sixty-eight (68); and increased the size and height of the proposed retail building in the surface parking lot near Crossfield Drive and Deep Valley Drive. The Rolling Hills Estates City Council and Planning Commission questioned the potential to “re-purpose” the former Saks Fifth Avenue space as a small hotel; the adequacy of the existing parking structure to meet the needs of the proposed project; the staging and phasing of construction so as to minimize disruption to existing businesses in the mall; the validity of the developer’s assumptions about the positive effects of residential units on the mall, in light of the City’s recent economic analysis of the Peninsula Center district; the design and orientation of some of the proposed dwelling units with respect to the availability of natural light and ventilation; and shade effects upon the existing open areas of the mall. There was general support of project components that would provide more street-level retail space along the perimeter of the

mall, especially along Drybank Drive. However, several Councilmembers and Commissioners appeared skeptical about the project as a whole.

Staff expects that an Initial Study (IS) will be prepared for the project in the future. Staff intends to comment on the IS once it is released for public review, and will continue to monitor this project in future Border Issues reports.

INTERMODAL CONTAINER TERMINAL FACILITY MODERNIZATION (PORTS OF LOS ANGELES & LONG BEACH)

- *Last Update: March 3, 2009*

On January 12, 2009, Staff received the Notice of Preparation/Initial Study (NOP/IS) for the proposed modernization of the Intermodal Container Transfer Facility (ICTF) serving the Ports of Los Angeles and Long Beach. The ICTF currently serves as a transfer point to interstate rail lines for containerized freight entering the ports. The project proposes to upgrade and modernize the existing facility with the goals of:

- Reducing emissions at the ICTF by replacing diesel-powered equipment with electric-powered equipment;
- Providing additional near-dock rail capacity and container throughput by increasing operation efficiencies consistent with the Ports' Rail Master Plan Study and minimizing surface transportation congestion and/or delays;
- Providing enhanced cargo security through new technologies, including biometrics; and,
- Continuing to promote the direct transfer of cargo from port to rail with minimal surface transportation congestion and/or delays.

The NOP/IS will be circulated for a 48-day public review period, which will end on February 25, 2009. A public scoping meeting will be held on February 11, 2009, at 6:00 PM at Stephens Middle School, 1830 W. Columbia St., Long Beach, CA 90810. Staff intended to comment on the NOP.

On February 12, 2009, Staff forwarded comments on the Notice of Preparation (NOP) for the proposed modernization of the Intermodal Container Transfer Facility (ICTF) to the ICTF Joint Powers Authority. Staff will continue to monitor this project in future Border Issues reports.

BERTHS 302-306 (APL) CONTAINER TERMINAL PROJECT (PORT OF LOS ANGELES)

- *Last Update: September 1, 2009*

On July 10, 2009, the City received the Notice of Intent/Notice of Preparation (NOI/NOP) for the preparation of a Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR) for the Berth 302-306 (APL)

Container Terminal project in the Port of Los Angeles. The project proposes to redevelop and expand the existing APL Container Terminal at Berths 302-306 on Terminal Island in the Port of Los Angeles with the goals of:

- Optimizing the use of existing land at Berths 302-306 and associated waterways in a manner that is consistent with the Los Angeles Harbor Department's public trust obligations;
- Improving the container terminal at Berths 302-306 to more efficiently work larger ships and to ensure the terminal's ability to accommodate increased numbers and sizes of container ships;
- Increasing accommodations for container ship berthing, and provide sufficient backland area and associated improvements for optimized container terminal operations, at Berths 302-306;
- Incorporating modern backland design efficiencies into improvements to the existing vacant landfill area at Berths 305-306; and,
- Improving the access into and out of the terminal, as well as internal terminal circulation, at Berths 302-306 to reduce the time for gate turns and to increase terminal efficiency.

The NOI/NOP was circulated for a 45-day public review period, which ended on August 24, 2009. Staff attended the public scoping meeting held on August 5, 2009, at 6:00 PM at the Board Room of the Harbor Administration Building, 425 S. Palos Verdes St., San Pedro, CA 90731, and forwarded comments to the Army Corps of Engineers and the Port of Los Angeles on August 6, 2009. Staff will continue to monitor this project in future Border Issues reports.