



38 Degrees North Addendum

CITY PROJECT FILE# PRJ21-011

ADDENDUM TO INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION

(ADOPTED PER DESIGN REVIEW BOARD RESOLUTION 20-1012, AUGUST 2020)

LEAD AGENCY:
CITY OF SANTA ROSA
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
100 SANTA ROSA AVENUE, ROOM 3
SANTA ROSA, CA 95404
CONTACT: ADAM ROSS, CITY PLANNER

PREPARED BY:



METROPOLITAN PLANNING GROUP
499 HUMBOLDT STREET
SANTA ROSA, CA 95404

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38 DEGREES NORTH PHASE 3

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1 INTRODUCTION

This document incorporates by reference the previously adopted Kawana Springs Apartment Homes (Phase 1) IS/MND (SCH No. 2017072037) and presents an addendum to the 38 Degrees North Phase 2 IS/MND (SCH No. 2020060247).

The Phase 1 IS/MND was adopted by the City of Santa Rosa Design Review Board prior to approving Phase 1 of 38 Degrees North, also referred to as Kawana Springs Apartments Homes (File No's DR17-013/DB17-001), on August 17, 2017. Phase 1 consists of 120 multifamily units on 5.03 acres, as well as surface parking, a dog park, community garden, and offsite improvements. Phase 1 was constructed as approved and is now occupied and fully operational. The Phase 1 IS/MND is incorporated by reference.

Prior to approving 38 Degrees North Phase 2, the IS/MND (SCH No. 2020060247) was adopted by the City of Santa Rosa Design Review Board on August 20, 2020 (Resolution No. 20-1012). Phase 2 consists of eight three-story buildings containing 172 units and resident amenities (pool and fitness building), preservation of 2.54 acres of open space, a 1.04-net acre site (1.29-gross) reserved for future construction of an approximately 21,000 square-foot community shopping center, subterranean parking, and ancillary improvements. Following approval of Phase 2 and prior to any construction activities, applications for 38 Degrees North Phase 3 ("Project") were submitted to the City.

Phase 3 proposes to eliminate the approximately 21,000 square-foot community shopping center previously conceptualized as part of Phase 2 and will instead construct 30 multi-family residential units in two buildings, which requires amendments to the General Plan Land Use map and text to remove designation and reference to a community shopping center at the site as discussed in detail in Sections 2.3 and 4.2 of this document. In addition, Phase 3 proposes to amend the General Plan Land Use Designation for the entire 38 Degrees North site, inclusive of Phase 1 and Phase 2, from Retail and Business Services/Medium Density Residential to Medium High Density Residential and will Rezone the property from CSC (Community Shopping Center) to R-3-30 (Multi-family Residential) . In summary, the proposed Phase 3 Project includes modifications to the previously conceptualized and approved Phase 2 site plan (to replace the previously analyzed 21,000 square foot community shopping center with 30 multi-family residential units) as well as General Plan and Zoning amendments to the entire 38 Degrees North site, which is the subject of this Addendum.

1.1 Purpose of the Addendum

The California Environmental Quality Act (CEQA) recognizes that following approval of an environmental document and prior to project implementation, one or more of the following may occur: 1) the project may change; 2) the environmental setting in which the project is located may change; 3) laws, regulations, or policies may change in ways that impact the environment; and/or 4) previously unknown information may arise. Prior to proceeding with project implementation, CEQA requires the Lead Agency to evaluate these changes to determine whether they affect the conclusions in the approved environmental document.

CEQA Guidelines Sections 15162 and 15164 establish criteria to assess the appropriate level of environmental review when a project analyzed in a previously approved IS/MND or EIR has changed,

or the environmental setting within which the review was carried out has changed. The Lead Agency is responsible for determining whether an addendum, supplemental, or subsequent environmental document is appropriate. As stated in CEQA Guidelines Section 15162 subdivision (a), a subsequent EIR or MND is not required unless the Lead Agency determines, on the basis of substantial evidence in light of the whole record, that:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Section 15164 of the CEQA Guidelines specifies that the Lead Agency may prepare an addendum to an adopted Negative Declaration or EIR if only minor technical changes or additions are necessary and none of the conditions described in Section 15162, listed above, have occurred.

1.2 Applicability and Use of the Addendum

Based on the Project applications and technical studies prepared, the City of Santa Rosa has determined that the proposed changes to the previously approved 38 Degrees North Phase I (also known as Kawana Springs Apartments Homes) and the previously approved 38 Degrees North Phase 2 Project will not result in potentially significant impacts that were not previously identified or analyzed, nor will the Project (38 Degrees North Phase 3) increase the severity of any previously identified impacts. Furthermore, there are no previously infeasible alternatives that are now considered feasible and no new mitigation measures considerably different than those previously analyzed that would reduce one or more significant effects. Lastly, none of the other factors set forth in CEQA Guidelines Section 15162(a)(3) apply to the Project.

As proposed, the Project requires minor alterations to the public record to ensure that the previously adopted IS/MND accurately reflect the Project as currently proposed. As such, the City of Santa Rosa,

acting as the Lead Agency, has determined that an addendum to the previously approved IS/MND is the appropriate level of review to address revisions to the previously approved 38 Degrees North Phase 2 Project.

Consistent with the requirements of CEQA, this addendum document addresses impact categories that warrant an update to clarify the minor Project modifications and most recent environmental setting since the IS/MND for the 38 Degrees North Phase 2 project was adopted.

2 BACKGROUND AND PROJECT DESCRIPTION

This section provides a brief summary of 38 Degrees North Phase 1 and Phase 2, as approved by the City of Santa Rosa in August 2017 and August 2020, respectively. Additionally, this Section provides a detailed project description for 38 Degrees North Phase 3 ("Project"), which is the subject of this addendum.

2.1 38 Degrees North Phase 1

38 Degrees North Phase 1 is located on a 5.03-acre parcel at 1020 Kawana Springs Road in the City of Santa Rosa (APNs 044-370-002; 044-370-010; 044-051-073;), south of Kawana Springs Road, east of Petaluma Hill Road and west of Franz Kafka Avenue. Phase 1 included development of 120 multi-family residential units, a community room, and pool, dog park, tot lot, community garden, parking lot and associated onsite and offsite infrastructure improvements. The IS/MND for Phase I was adopted by the City of Santa Rosa on August 17, 2017 (Resolution No. 17-959). Phase I was subsequently constructed and was issued a certificate of occupancy on April 12, 2021. No physical changes to the Phase 1 Project are proposed. Rather, the Phase 3 Project proposes to amend the General Plan land use designation and rezone the Phase 1 site to align with the existing/established residential use.

2.2 38 Degrees North Phase 2

38 Degrees North Phase 2, located on a 10.87-acre parcel at 2660 Petaluma Hill Road in the City of Santa Rosa (APN 044-051-055) includes development of 172 multi-family residential units contained within eight three-story buildings, a 2.54-acre Open Space Preserve, and a 1.29-gross acre site for the future development of a 21,000 square-foot community shopping center. Amenities to be provided as part of Phase 2 include an outdoor community area containing a pool, deck and spa area, and a club house containing a fitness center, game room and co-workspace. The IS/MND for Phase 2 was adopted by the City of Santa Rosa on August 20, 2020 (Resolution No. 20-1012). As discussed in the Phase 2 IS/MND, the 1.29-gross acre site was analyzed with a commercial component consistent with the General Plan Land Use (Medium Density Residential and Retail and Businesses Services) and Zoning (Community Shopping Center) designations; however, no formal development proposal or entitlements have been sought for the conceptualized commercial component.

On February 8, 2021, the applicant submitted plans for grading and building permits for the 172 multi-family units and associated improvements. Comments were provided by the City to the applicant on the grading and building permit plans, which were revised and resubmitted for review by the City on August 5, 2021. As described in detail below, formal applications for 38 Degrees North Phase 3 were submitted to the City on May 13, 2021, which propose to eliminate the approximately 21,000 square-

foot community shopping center previously conceptualized as part of Phase 2 and will instead construct 30 multi-family residential units in two buildings, resulting in the requirement for an amendment to the General Plan Land Use map and text to remove reference to the site as a location for a community shopping center.

2.3 38 Degrees North Phase 3 Project Description (Proposed)

Project Location

The 38 Degrees North Phase 3 Project site is part of an overall site that encompasses Phase 1 (5.03 acres) and Phase 2 (10.87 acres). It is located east of U.S. 101 within the southern portion of the City of Santa Rosa, Sonoma County, California (**Figure 1: Regional Location**). The approximately 15.92-acre 38 Degrees North site is situated east of Petaluma Hill Road, north of Farmers Lane/ Yolanda Avenue, south of Kawana Springs Road, and west of Franz Kafka Avenue (**Figure 2: Project Vicinity**).

General Plan and Zoning Amendments

As shown on the Santa Rosa General Plan 2035 Land Use Diagram (October 18, 2016), the Project site, which includes Phase 1 and Phase 2 (collectively referred to as Phase 3), is designated Medium Density Residential and Retail and Business Services. The Phase 2 portion of the site has a “star” symbol on the land use map indicating its identification as a community shopping center location, which is intended to provide a complex of retail services, anchored by a large grocery store, and serving the community.

38 Degrees North is currently within the Community Shopping Center (CSC) zoning district. Pursuant to Title 20, Chapter 20-23.020 of the Santa Rosa City Code, the CSC zoning district provides for complexes of retail establishments, anchored by a large grocery store which serves clients from the community and in particular the surrounding residential neighborhoods. Multi-family dwellings are permitted by-right within the CSC District, up to a maximum density of 30 units per acre.

Phase 3 proposes to amend the General Plan Land Use map and text by changing the Medium Density Residential (8.0–18.0 units per acre) and Retail and Business Services land use designation to the Medium High Density Residential (18.0-30 unit per acre) land use designation and eliminating the “star” symbol designating the site as a location for a Community Shopping Center (**Figure 3: General Plan - Existing and Proposed**). In addition, the project will amend the General Plan text to remove reference to a Community Shopping Center at the site including page 2-11 to remove reference to a community shopping center in the southeast portion of the City, page 2-18, Table 2-4, General Plan Policy LUL-E-1 to remove Community Shopping Center from the southeast quadrant, and page 2-21, Policy LUL-G-1 to remove reference to a Community Shopping Center at Petaluma Hill Road/Yolanda Avenue. The policies referenced above would be amended to read as follows, with deleted text shown in ~~strikethrough~~:

LUL-E-1 Provide new neighborhood parks and recreation facilities, elementary schools, and convenience shopping in accordance with the General Plan Land Use Diagram and Table 2-4 below:

Table 2-4: Proposed Neighborhood Improvements

| Quadrant | Parks and Recreation | Schools | Convenience Shopping |
|-----------------|-----------------------------|----------------|-----------------------------|
| Northeast | 2 Neighborhood Parks | | |

| Quadrant | Parks and Recreation | Schools | Convenience Shopping |
|-----------|---|---|---|
| Northwest | 5 Neighborhood Parks | | Community Shopping Center |
| Southeast | Community Park, 5 Neighborhood Parks | Middle School | Community Shopping Center 3 Neighborhood Shopping Centers |
| Southwest | Community Parks, 12 Neighborhood Parks | Middle School, 4 Elementary Schools | International Marketplace, Community Shopping Centers 3 Neighborhood Shopping Centers |

LUL-G-1 Develop the following areas as mixed use centers (see General Plan Land Use Diagram):

Community Shopping Centers:

- South of Hearn Avenue, at Dutton Meadow Avenue
- West of Corporate Center Parkway, at Northpoint Parkway
- Piner Road, at Marlow Road
- ~~Petaluma Hill Road, at Yolanda Avenue~~

Lastly, to maintain consistency between the General Plan Land Use and Zoning designations, the Project also proposes a Zoning amendment to change the existing zoning designation from CSC and PD-96-001C to R-3-30 (Multi-Family Residential) (**Figure 4: Zoning - Existing and Proposed**).

Retail and Grocery Market Analysis

The 38 Degrees North Retail and Grocery Analysis (**Appendix A**) was prepared to assess the market-based opportunity for development of a grocery store on the southwest portion of the Project site, previously conceptualized as part of the Phase 2 Project. The analysis includes research on retail market trends, supply and demand factors, and correspondence with local commercial brokers. The results of the analysis concluded that the Project site does not support anchor retail uses, including an anchor grocery store tenant. Though it should be noted that the analysis was prepared during the COVID-19 pandemic, key findings detailed in the report indicate several factors for the infeasibility of developing a retail use at the Project site. Specifically, the analysis states that no retail would be supportable at the site due to a greater supply of a wide range of retail categories as compared to the current demand, which is based on current household spending and projected household growth and income. Other factors identified as barriers to development of an anchor retail development at the site include: the presence of several existing major grocery stores located within three miles of the site where average daily traffic volumes are higher as compared to the Project site that provide a more conducive environment to commercial uses; increased vacancy rates of existing commercial and retail sites; and the Project site’s relative isolation from population concentrations and high traffic roads that are necessary for a successful retail center.

Site Plan

In addition to the General Plan map and text amendment and the zoning map amendment, the 38 Degrees North Phase 3 Project proposes to amend the 38 Degrees North Phase 2 Project by eliminating the approximately 21,000 square-foot conceptualized community shopping center, located at the southwest corner of the property at 2660 Petaluma Hill Road, and instead will provide

30 multi-family residential units and associated improvements on approximately 1.04-net acres (1.29-gross acres) of the site. (**Figure 5: Site Plan - Existing and Proposed**).

The residential units are proposed within two, three-story buildings: one 20-unit building at the corner of Petaluma Hill Road and Farmers Lane, and one, 10-unit building with frontage on Farmers Lane. Collectively, the two buildings contain 15 one-bedroom units, 12, two-bedroom units, and three, three-bedroom units. The Phase 3 site provides for approximately 12,448 square feet of buildings coverage, 11,240 square feet of landscaping, surface parking, pathways, lighting, bicycle and pedestrian circulation, and ancillary improvements as further described below. The additional 30 multi-family units are designed to operate along with Phase 1 (120-units) and Phase 2 (172-units) as a single community via a cross access and reciprocal use agreement.

Access and Parking

The Project would provide a total of 46 off-street parking spaces, including 21 garage spaces, 10 carport spaces, and 15 uncovered surface spaces. Bicycle parking would be provided in private garages, as well as through installation of one bicycle rack, accommodating short-term parking for up to three bicycles. Vehicular access to the Project site will be provided via a 30-foot two-way driveway along Farmers Lane, located approximately 200 feet east of its intersection with Petaluma Hill Road. Bicycle and pedestrian access to the site will be provided via existing and proposed facilities, including proposed Class II bicycle lanes along Farmers Lane and Petaluma Hill Road, a 6-foot-wide sidewalk along Farmers Lane, an 8-foot-wide sidewalk along Petaluma Hill Road, and an approximately 5-foot-wide pervious pathway extending from the sidewalk along Petaluma Hill Road to other internal pathways, including connection to the pedestrian bridge which will span the Open Space Preserve and provide access between the northern and southern portions of the 38 Degrees North Project site.

Architecture

The architecture for the Project will be the same as that approved for Phase 2. The two Phase 3 buildings include a contemporary mix of framed massing and volumes using a traditional palette of materials, textures, and colors. Building walls will be clad in a combination of fiber cement paneling and lap siding and will be accented with stained wood-look tile and screening. The siding will be painted in neutral greys and bold blues to match the hues from the Phase 1 and Phase 2 buildings. Building elevations are punctuated with inset vinyl windows with fiber cement trim and feature perforated metal balcony guardrails and decorative wood-look screens. The maximum height of the buildings is 39-feet 1-inch. The roof finish material is comprised of thermoplastic olefin (TPO).

Landscaping and Lighting

The Preliminary Landscape Plan includes plantings along the perimeter of the two new residential buildings and parking lot, including street trees along Petaluma Hill Road and Farmers Lane, as well as within the common open space areas between buildings and walkways, and within bulb outs and planter strips near drive aisles and parking areas. Selected tree species are intended to maintain consistency with the landscaping of Phases 1 and 2 and include Crimson King Norway Maples, October Glory Maples, Japanese Blueberry Trees, White Crape Myrtles, Sweet Bays, Tulip Trees, Southern Magnolias, Olives, Coast Live Oaks, Valley Oaks, Chaste Trees, and Mexican Fan Palms. Proposed bioretention plantings will be appropriate for the local climatic conditions, and all plantings are

intended to be drought resistance with moderate to low water usage consistent with the City's Water Efficient Landscape Ordinance (WELO). Lighting would be consistent with lighting approved as part of Phases 1 and 2 and includes parking area lights, exterior building lights, and pole mounted lights.

Offsite Improvements

Offsite improvements associated with 38 Degrees North Phase 2 have been approved and will be constructed consistent with those approvals, which were analyzed in the Phase 2 IS/MND. No additional offsite improvements for 38 Degrees North Phase 3 are proposed. All right-of-way dedications and improvements are discussed in detail in the 38 Degrees North Phase 2 IS/MND and are shown on the plans submitted for the 38 Degrees North Phase 3 Project.

Water Supply, Wastewater, and Solid Waste

Potable water for the 30 residential units will be accommodated via installation of water lines, connecting to 12-inch diameter water mains in Petaluma Hill Road, planned improvements in Franz Kafka Avenue, and service laterals which will connect to an existing 12-inch diameter water main in the Farmers Lane Extension.

The City of Santa Rosa wastewater treatment services and infrastructure currently extend to the Project site. Wastewater service for the 30 residential units will be accommodated via installation of sanitary sewer laterals throughout the site and will connect to the existing 12-inch diameter sanitary sewer line in Petaluma Hill Road and a planned 8-inch diameter sanitary sewer line in the Farmers Lane Extension. Wastewater generated by the 30-unit residential development will be conveyed to the Laguna Wastewater Treatment Plant for processing.

The City of Santa Rosa contracts with Recology Sonoma Marin to provide waste collection services. Recology will provide solid waste, recycling, and composting services. Waste, recycling, and organic matter generated by the 30 residential units will be collected by a private valet trash service. Trash will be stored within a trash enclosure, comprised of 6-foot masonry walls with metal doors, located within the Phase 3 parking lot. Valet trash service, which was approved for Phase 1 and Phase 2, will transport trash from the two new residential buildings proposed as part of Phase 3 to the compactor located on the Phase 1 site. Access and use of the compactor will be provided for through a cross access and reciprocal use agreement.

Storm Drainage Infrastructure

Storm drainage infrastructure will be installed to accommodate the impervious surfaces that will result from development of the 30 residential units and associated improvements. The Project would introduce 0.26 acres of pervious surfaces and 0.7 acres of impervious surface. Onsite improvements will capture storm water runoff via new storm drainpipes and convey flows to existing storm drains within Petaluma Hill Road and planned storm drains within the Farmers Lane Extension.

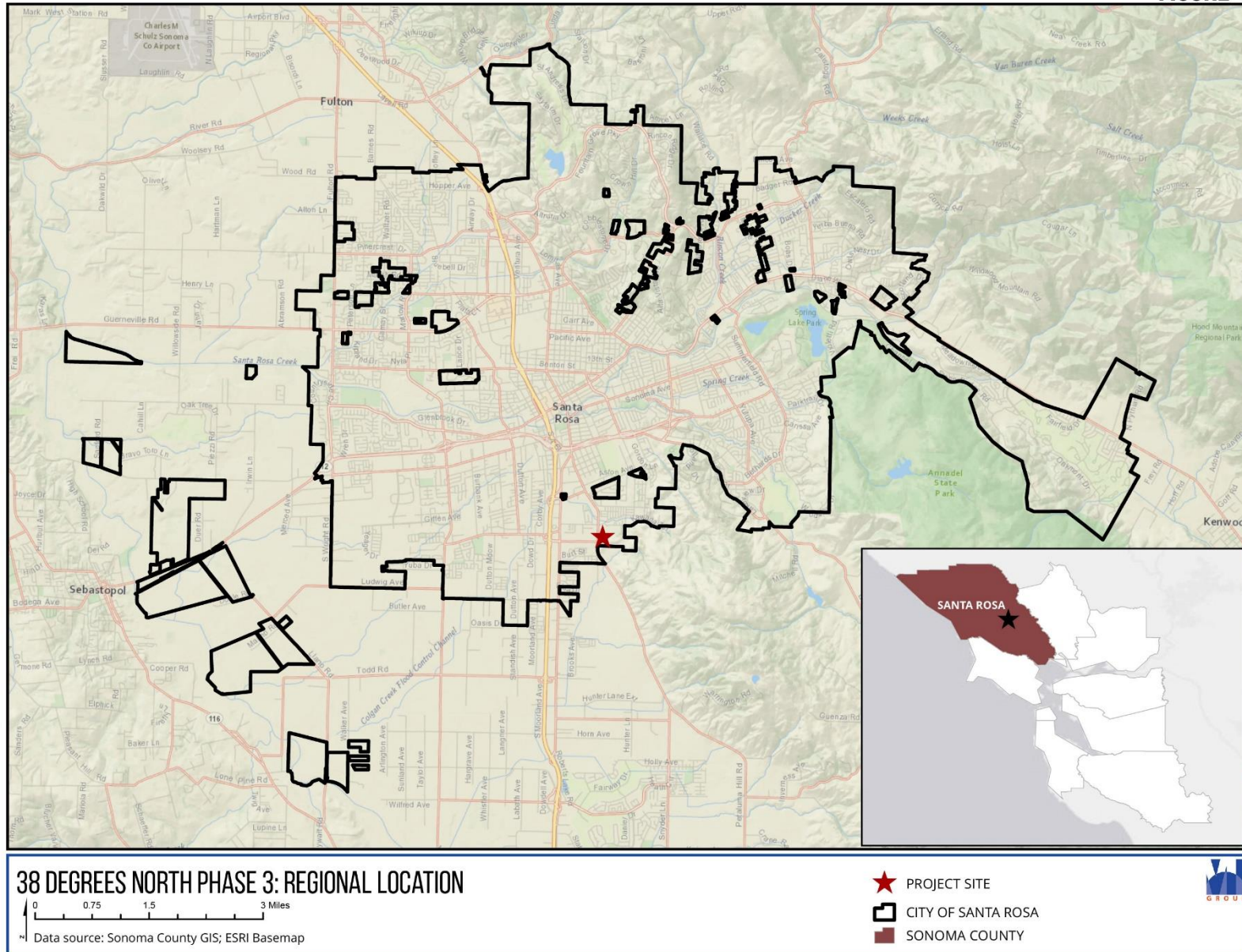
A bioretention area, located along the Farmers Lane Extension frontage is incorporated into the Project site plan and will be required to be designed to capture the post-development storm water runoff during precipitation events and encourage infiltration in accordance with objectives of the Low Impact Design (LID) Technical Design Manual. Other proposed LID improvements include landscaping and permeable paving.

Required Discretionary Actions

The Project requires the following discretionary entitlements from the City of Santa Rosa:

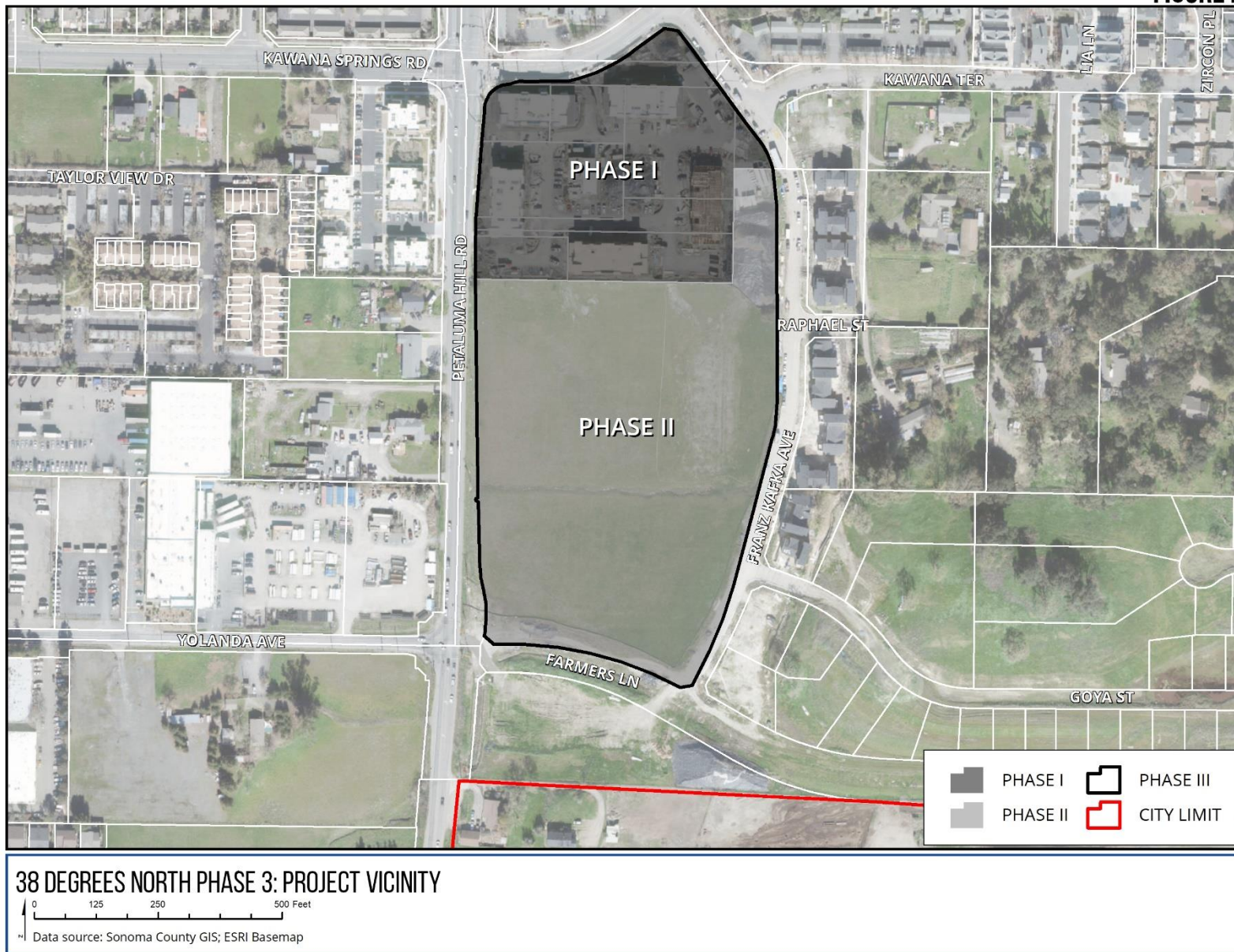
- **Major Design Review:** For construction of 30 multi-family dwelling units.
- **General Plan Map Amendment:** To amend the existing General Plan Land Use Designation of the 38 Degrees North site from Medium Density Residential and Retail and Business Services to Medium High Density Residential; and to amend the General Plan Land Use Map to eliminate the “star” symbol identifying the site as a Community Shopping Center location.
- **General Plan Text Amendment:** To amend the text of the Santa Rosa General Plan as follows: remove reference of the southeast Community Shopping Center designation discussed on page 2-11; remove Community Shopping Center from the southeast quadrant on page 2-18, Table 2-4; remove reference to a Community Shopping Center at Petaluma Hill Road/Yolanda Avenue referenced in General Plan Policies LUL-E-1 and LUL-G-1 on pages 2-18 and 2-21.
- **Zoning Map Amendment:** To amend the Zoning Designation of the 38 Degrees North Project site from Community Shopping Center (CSC) and PD-96-001C to Multi-Family Residential (R-3-30).

FIGURE 1



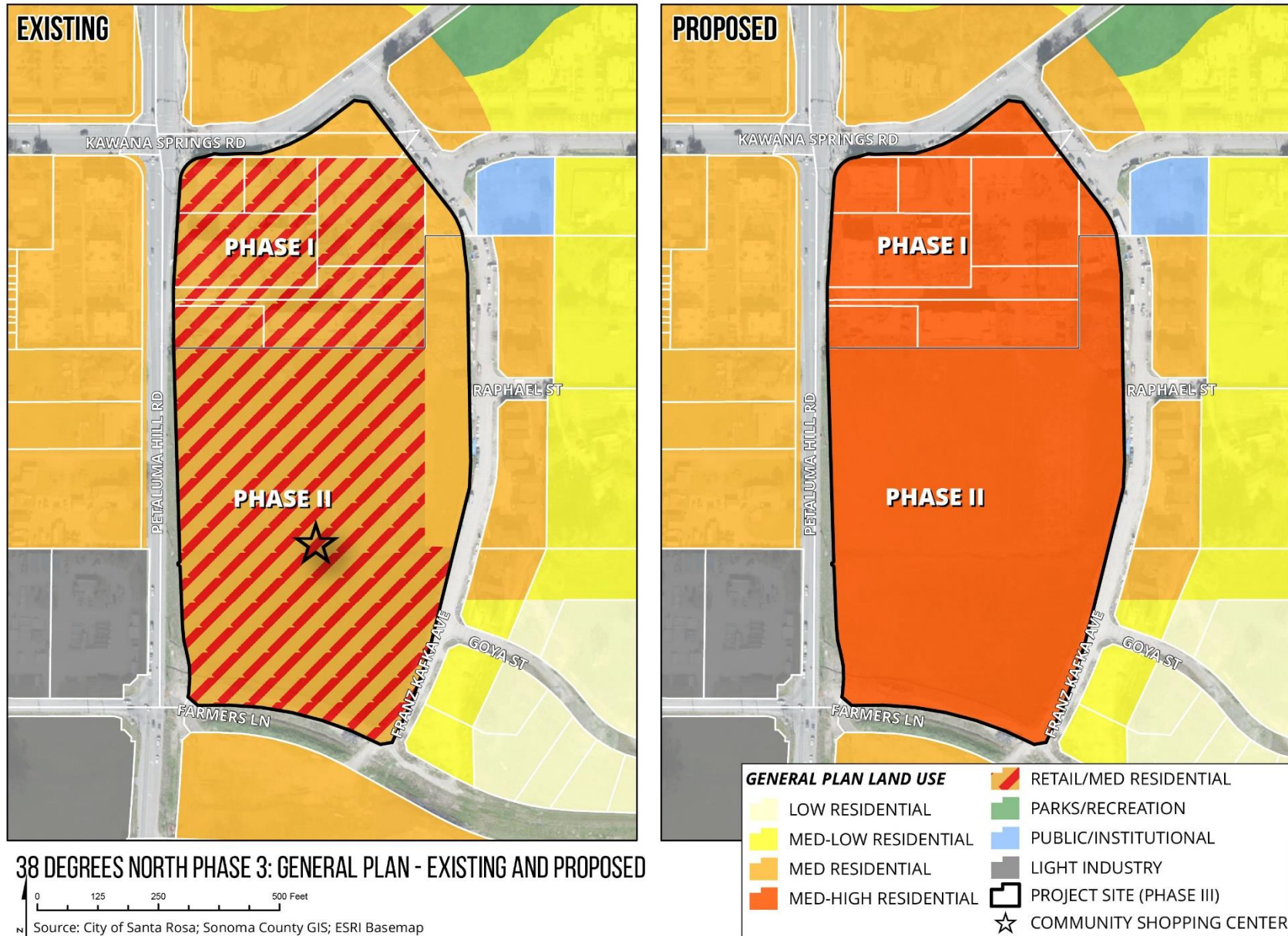
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FIGURE 2



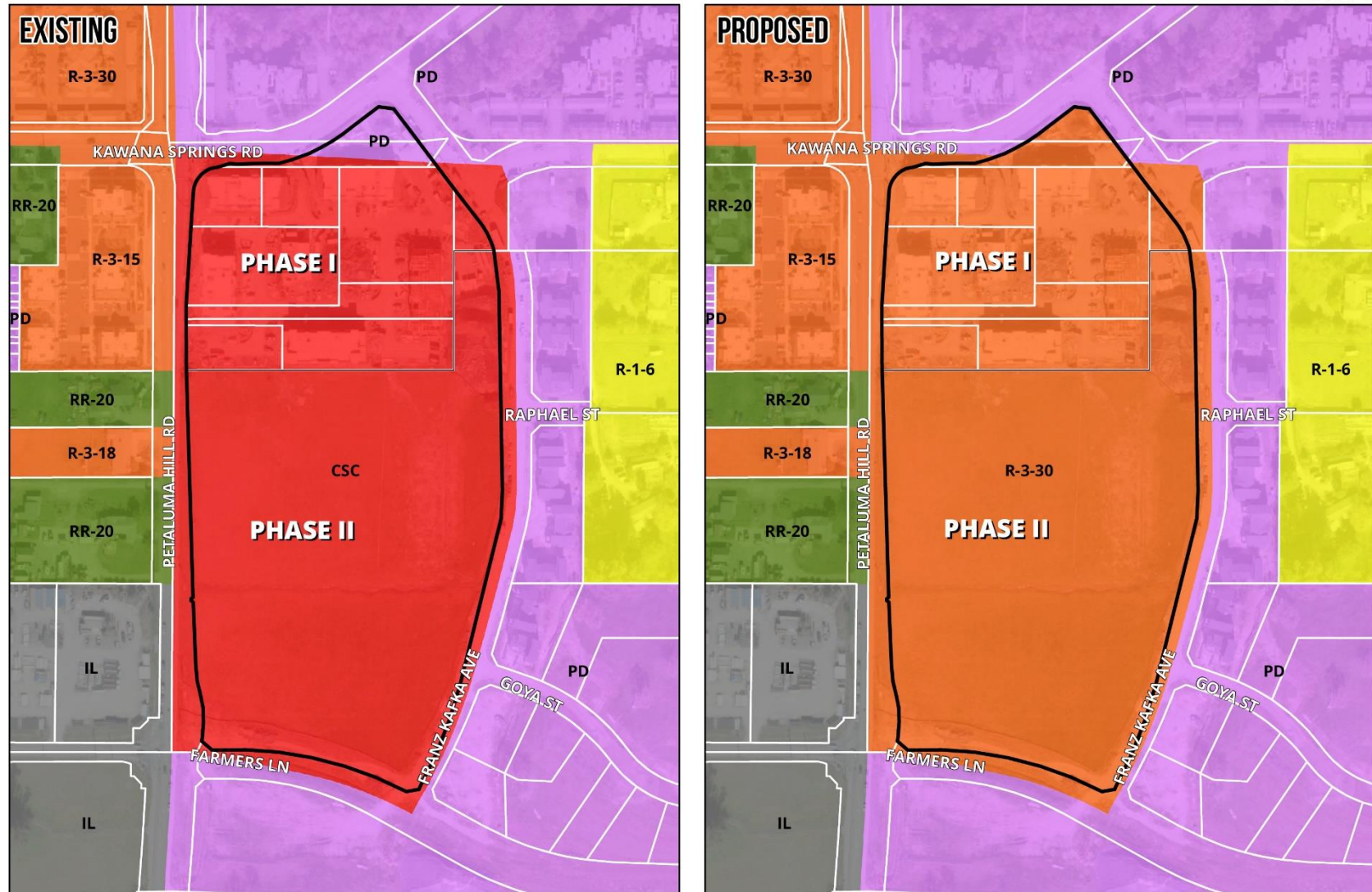
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FIGURE 3



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FIGURE 4



38 DEGREES NORTH PHASE 3: ZONING - EXISTING AND PROPOSED



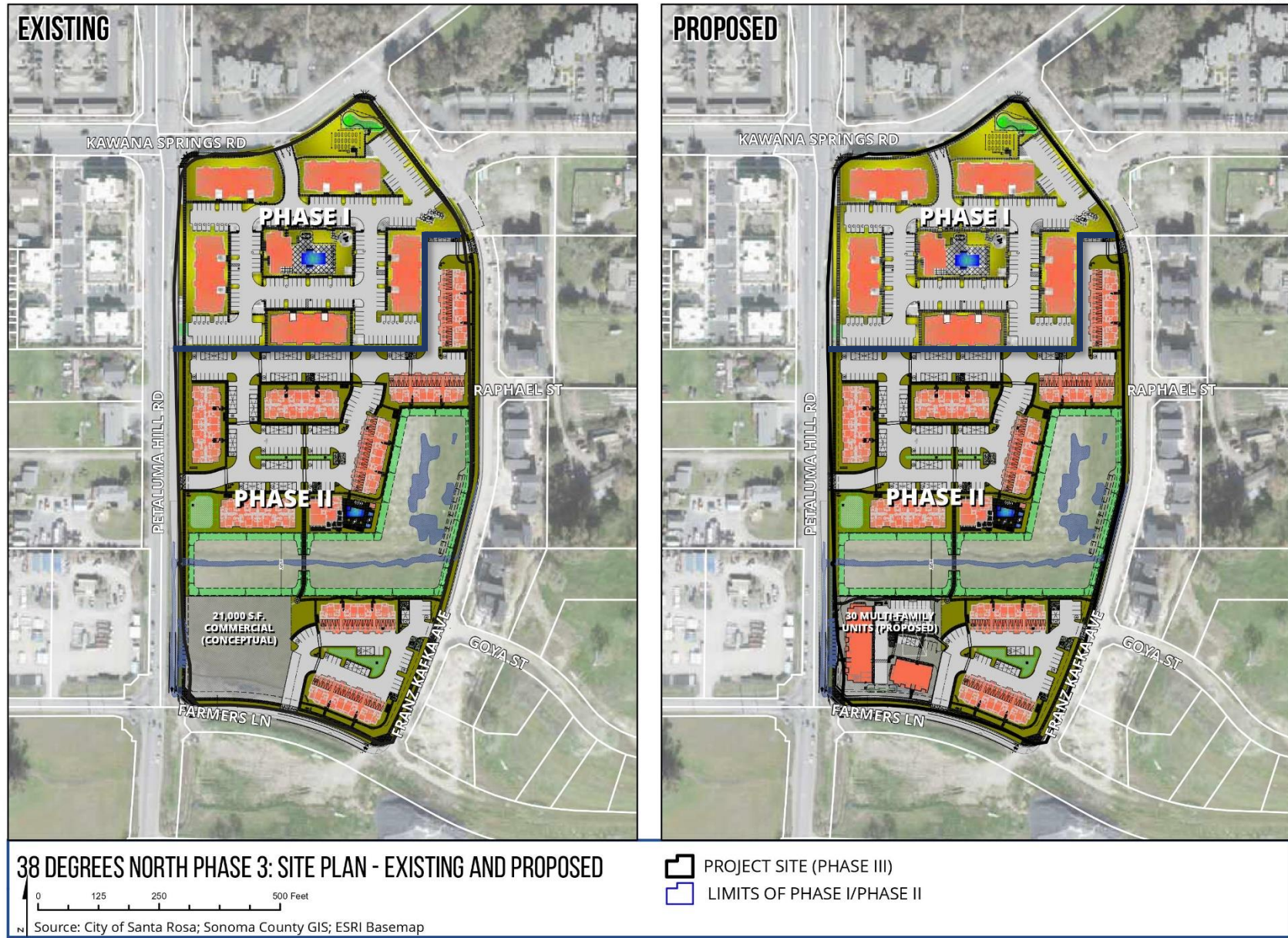
Source: City of Santa Rosa; Sonoma County GIS; ESRI Basemap

ZONING DESIGNATIONS

- COMMUNITY SHOPPING CENTER (CSC)
- MULTI-FAMILY RES (R-3-15, R-3-18, R-3-30)
- LIGHT INDUSTRIAL (IL)
- RURAL RES (RR-20)
- PLANNED DEVELOPMENT (PD)
- SINGLE-FAMILY RES (R-1-15, R-1-6)
- PROJECT SITE (PHASE III)

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FIGURE 5



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3. FINDINGS OF THE ADDENDUM

As previously stated, this document incorporates by reference the adopted Kawana Springs Apartment Homes IS/MND (SCH No. 2017072037) and serves as an Addendum to the previously adopted 38 Degrees North Phase 2 IS/MND (SCH No. 2020060247). The Environmental Analysis section below, describes the environmental impacts of the proposed 38 Degrees North Phase 3 Project as compared to the impacts of the previously approved 38 Degrees North Phase 1 (Kawana Springs Apartment Homes) and 38 Degrees North Phase 2 projects which were independently analyzed in the aforementioned IS/MNDs. Specifically, the following section addresses those areas that could potentially result in new or more severe impacts, discusses the adequacy and applicability of previously adopted mitigation measures to the revised Project, and addresses whether any new or more severe impacts would result from the revised Project.

4. ENVIRONMENTAL ANALYSIS

This section includes an analysis of the impacts of the proposed Project, as revised, compared to the environmental analyses prepared for the 38 Degrees North Phase 1 and 38 Degrees North Phase 2 projects.

4.1 38 Degrees North Phase 1 IS/MND

As previously discussed, the proposed Project will not result in physical changes to the 38 Degrees North Phase 1 portion of the Project site, which included construction of 120 multi-family residential units, associated amenities, and on- and offsite improvements, all of which are fully constructed and operational. Rather, the 38 Degrees North Phase 3 Project proposes to amend the General Plan land use designation for the Phase 1 portion of the site from Medium Density Residential/Retail and Business Services to Medium-High Density Residential and proposes a rezone from Commercial Shopping Center (CSC) and Planned Development (PD 96-001C) to R-3-30 (Multi-Family Residential) to align with the proposed General Plan land use designation.

Given that the Phase 1 portion of the site is fully constructed, and operational, further discussion of environmental impacts is not warranted. The following section provides a brief discussion of the Project as it relates to the proposed General Plan land use and Zoning changes.

The IS/MND prepared for 38 Degrees North Phase 1 concluded that the Project would have a less than significant impact due to a conflict with applicable City of Santa Rosa plan, policy, or regulation. As stated therein, the 120-unit multi-family development, amenities, and associated on- and off-site improvements were developed consistent with the densities established for the Medium Density Residential/Retail and Business Services General Plan land use designation as well as the development standards and zoning code requirements for multi-family developments within the CSC zoning district. As stated in the IS/MND prepared for the Phase 1 Project, the Medium Density Residential designation allows for a maximum density of 18 units per acre and the CSC district allows for 1 unit per 4,000 square foot of nonresidential floor area up to a maximum of 30 units to the acres. Consistent with State Density Bonus law and Chapter 20-31 of the Santa Rosa City Code, the Project incorporated six very-low and 12 low-income rental units, allowing for a 35% density bonus. As such, the site was developed at a density of 24 units per acres.

The proposed Project includes a General Plan amendment to change the Phase 1 portion of the site to Medium-High Density Residential, which allows for a residential density of 18 to 30 dwelling units per acre, consistent with the existing CSC zoning district (up to 30 units to the acre). The Phase 1 portion of the Project site encompasses 5.03-acres and is developed with 120 multi-family residential units, which has a resulting density of 24 units per acre. Under the existing land use designation and zoning, community shopping center such as a complex of retail services and up to 30 unit to the acre would be allowed with a conditional use permit. The proposed Project would remove retail as an allowed use and allow for multi-family residential uses up to 30 units to the acre. Based on the existing 120 units onsite, an additional 30 units could be accommodated under the proposed General Plan and Zoning amendments, which is consistent with the allowed density under the existing zoning designation. Furthermore, no additional units or other development is currently proposed as this time. Any future infill development proposed at the Phase 1 site would be subject to review and approval pursuant to the City's Zoning Code Chapter 20-22.030 (assuming the proposed Project is approved), which allows for multi-family dwellings by right. As such, the General Plan land uses and zoning change to the Phase I portion of the site, as proposed by the 38 Degrees North Phase 3 Project is consistent with the provisions of corresponding land use and zoning provisions and does not introduce any new or more severe impacts due to a conflict with a land use plan, policy, or regulation.

4.2 38 Degrees North Phase 2 IS/MND Addendum

The previously adopted IS/MND for the 38 Degrees North Phase 2 Project identified significant impacts and proposed mitigation measures to reduce such impacts to levels below significance related to Air Quality, Biological Resources, Cultural Resources, Energy, Geology/Soils, Greenhouse Gases, Hydrology/Water Quality, Noise, Transportation, Tribal Cultural Resources, and Cumulative Impacts. Consistent with the CEQA Guidelines, the Addendum to the Phase 2 IS/MND only addresses those resource areas that could potentially result in new impacts or impacts of greater severity specific to the Project site as compared to those that were addressed in the Phase 2 IS/MND. Based on the significance findings, application of site-specific mitigation measures, and requirement that the Project comply with applicable standard conditions and Best Management Practices (BMPs), further discussion of the following sections are not included in the Addendum to the Phase 2 IS/MND:

- Agricultural & Forestry Resources
- Biological Resources
- Cultural Resources
- Energy
- Geology/Soils
- Hazards & Hazardous Materials
- Hydrology/Water Quality
- Mineral Resources
- Public Services
- Recreation
- Tribal Cultural Resources
- Wildfire
- Mandatory Findings of Significance

The above discussion topics do not warrant further review because 1) the prior CEQA analysis captured the development footprint of the entire project site, so all physical land disturbance impacts have been adequately analyzed, 2) the proposed change to the land use and zoning does not differ relative to the multi-family residential density allowed under the existing CSC zoning designation, and 3) increasing residential density on infill sites is in line with State and City goals to address the housing crisis and declared climate emergency by providing more housing within city limits, and locating residents in close proximity to goods, services, and jobs. Though Cultural Resources do not require

additional analysis, it should be noted that as part of the Tribal notification and consultation process carried out by the City consistent with SB18, which is triggered when a project is proposing a General Plan Amendment, representatives from the Federated Indians of Graton Rancheria (FIGR) requested that a tribal monitor be required during ground disturbing activities. To reflect the request made during the consultation process, the Cultural Resource Monitoring Plan (CRMP), originally prepared by Evans & De Shazo on August 19, 2019, has been updated to include a provision that a FIGR-approved tribal monitor be onsite during ground disturbing activities. Mitigation Measure CUL-1, which requires compliance with all Monitoring Protocols and Procedures identified in the Cultural Resources Management Plan (CRMP) has been updated to reference the CRMP revision date of December 6, 2021, and also includes a requirement for an FIGR-approved monitor onsite, consistent with the request made during the consultation process. This addition does not constitute a new or more significant impact and as such no further discussion of Cultural Resources is warranted.

All relevant mitigation measures, conditions of approval, and BMPs identified in the 38 Degrees North Phase 2 IS/MND for these resource areas are incorporated by reference and will be a requirement of approval for the Phase 3 Project. An updated version of the Phase 2 MMRP is included in Appendix E hereto and shows proposed changes, including changes to CUL-1 as discussed above in ~~strikethrough~~, indicating deleted text and underline, indicating new text.

Changes to the 38 Degrees North Phase 2 Project includes removal of the previously conceptualized 21,000 square foot commercial development and alternatively will construct 30 multi-family dwelling units within two, three-story buildings at the southwest corner of the site. The Project also includes a General Plan Land Use map amendment to change the designation of the site from Medium Density Residential (8.0-18.0 units per acre)/Retail and Business Services to Medium-High Density Residential (18.0-30.0 unit per acre), removal of a "star" symbol designating the site as a location for a community shopping center, a General Plan Text Amendment to pages 2-11, 2-18, and 2-21, to remove reference to a Community Shopping Center at the site, and a Zoning amendment to change the existing zoning district from CSC, which allows for up to 30 units per acre to R-3-30. The following analysis includes a discussion of those resource areas that warrant an update to address the revised Project and changes to the environmental setting, impacts, and mitigation measures since adoption of the Phase 2 IS/MND. The analysis includes a discussion of the following:

- Aesthetics
- Air Quality
- Greenhouse Gases
- Land Use/Planning
- Noise
- Population/Housing
- Transportation

AESTHETICS

The Phase 2 IS/MND concluded that the Project would have a less than significant impact on aesthetic resources including impacts to scenic vistas, degradation of the existing visual character, and impacts to views as a result of light and glare. Additionally, the IS/MND concluded that the Project would have no impact on a scenic resource within a state scenic highway corridor, as there are no officially designated or eligible highways within the 38 Degrees North project area.

The Project site is located within the immediate vicinity of Petaluma Hill Road and the future Farmers Lane Extension, both of which are identified as scenic roads in the City of Santa Rosa General Plan 2035. The Phase 3 Project will introduce two new residential buildings with the same scale, height, massing, and architecture as the residential buildings approved under Phase 2 and analyzed in the Phase 2 IS/MND, which concluded that views of ridgelines and mountain peaks from these roads would continue to be perceptible. As such, the Project would not result in an adverse impact on a scenic vista identified in the General Plan. In addition, it was determined that the Project was designed consistent with surrounding development in the area including the massing, setbacks, and architectural design of the residential buildings and as such would not degrade the visual character of the surrounding area. Lastly, the IS/MND concluded that through compliance with the City of Santa Rosa's lighting regulations, new light introduced by the Project would result in less than significant impacts as it would not adversely impact day or nighttime views in the area. Replacement of the conceptualized commercial component with two new residential buildings requires Major Design Review approval by the Design Review Board, subject to applicable design criteria and as such will not result in any new or more severe impacts to aesthetics relative to what was evaluated in the Phase 2 IS/MND.

AIR QUALITY

The Phase 2 IS/MND concluded that with implementation of mitigation measures, the Project would result in less than significant impacts to air quality due to a cumulatively considerable net increase of criteria pollutants or exposure of sensitive receptors to substantial pollutant concentrations. Additionally, the Phase 2 IS/MND concluded that the Project would have a less than significant impact due to a conflict with an applicable air quality plan or other emissions, such as odor, that would adversely impact a substantial amount of people.

The Phase 3 Project proposes to replace the previously conceptualized commercial development with 30 multi-family housing units contained within two three-story buildings. The proposed Project is consistent with the 2017 Bay Area Clean Air Plan (CAP) as it proposes development within the City of Santa Rosa's urban limits, thereby limiting sprawl; implements best management practices (BMPs) to protect air quality during construction; and generates air quality emissions below thresholds established by the Bay Area Air Quality Management District (BAAQMD). As such, the proposed Project would continue to have less than significant air quality impacts related to a conflict with an applicable air quality plan as the proposed residential use would support the stated goals of the 2017 CAP.

To address potential impacts due to a cumulatively considerable net increase of criteria pollutants during construction, the Phase 3 Project will be required to implement Mitigation Measure AQ-1 identified in the Phase 2 IS/MND, which requires incorporation of a variety of dust control measures during construction activities including watering the Project site, covering haul loads, limiting idling time, and temporarily halting construction when winds are greater than 15 miles per hour. With implementation of AQ-1, the Phase 3 Project will continue to have a less than significant impact to air quality during construction. Additionally, the proposed 30-unit multi-family residential Project falls below BAAQMD thresholds for operational emissions for mid-rise apartments¹ and as such will continue to result in less than significant impacts to air quality during operation. Furthermore, as a residential use the Project will not create perceptible odors at operation and as such Phase 3 will

¹ Operational screening criteria for Apartments Mid-Rise is 494 dwelling units. Table 3-1, pg. 3-2 Bay Area Air Quality Management District 2010 CEQA Guidelines, May 2017.

continue to have a less than significant impact to air quality as it will not result in other emissions that adversely affect a substantial number of people.

Similar to impacts identified in the Phase 2 IS/MND, construction of the proposed 30-unit Phase 3 residential Project could result in health risks to sensitive receptors within the immediate vicinity due to exposure to exhaust emissions generated during construction activities. As such, the Project shall implement Mitigation Measure AQ-2 identified in the Phase 2 IS/MND, which requires development and implementation of a plan demonstrating that off-road equipment used during construction would achieve a fleet-wide average reduction of 80 percent or more in diesel particulate matter (DPM) exhaust emissions. With implementation of Mitigation Measure AQ-2, construction of the new residences will continue to have a less than significant impact on nearby sensitive receptors. Furthermore, at operation, the Project, as a residential development, will not generate air quality emissions that affect sensitive receptors in the vicinity of the Project site. Potential impacts to sensitive receptors at operation of the Project will continue to be less than significant, as residential projects do not generate emissions that would result in health impacts.

As stated above, the previously conceptualized community shopping center analyzed in the Phase 2 IS/MND has been replaced by 30 multi-family residential units. As such, Mitigation Measure AQ-3 of the Phase 2 IS/MND, which specifically applies to addressing impacts to sensitive receptors during construction and operation of the community shopping center, no longer applies to the Project and is not required to be implemented. To reflect the change in applicability of Mitigation Measure AQ-3, the Mitigation Monitoring and Reporting Program (MMRP) has been revised, showing the deleted measure in ~~strikethrough~~.

GREENHOUSE GASES

The Phase 2 IS/MND concluded that with implementation of mitigation measures, the Project would have a less than significant impact related to greenhouse gas (GHG) emissions or due to a conflict with an applicable plan, policy, or regulation intended to reduce GHG emissions.

Though the BAAQMD does not have established thresholds for GHG emissions during construction, implementation of best management practices during construction are effective in reducing GHG emissions generated during construction activities. As such, Mitigation Measures AQ-1 and AQ-2 identified in the Phase 2 IS/MND shall be implemented during construction of Phase 3. These measures require implementation of Best Management Practices during construction and achievement of a fleet-wide average reduction of 80 percent or more in diesel particulate matter (DPM) exhaust emissions and will ensure that impacts related to GHG emissions during construction of Phase 3 will continue to result in less than significant impacts. Additionally, as shown on the Appendix E CAP New Development Checklist (**Appendix B**), the Phase 3 Project will incorporate mandatory and voluntary items of the City of Santa Rosa's Climate Action Plan that will reduce GHG emissions during construction including diversion of construction waste (6.1.3), limiting idling time to 5 minutes or less (9.2.1), ensuring that construction equipment is maintained in proper working order pursuant to the manufacturer's specifications (9.2.2), and utilizing electric equipment or alternative fuels (9.2.3). Therefore, the Project has demonstrated compliance with the CAP and construction-related activities will continue to result in less than significant impacts related to GHG emissions.

At operation, the Phase 3 Project would result in operational GHG emissions associated with onsite lighting, climate control of buildings and structures, treatment and transport of water and wastewater, solid waste disposal, maintenance activities, and vehicle trips associated with residents and visitors

coming to and from the site.² As stated above, the Project incorporates mandatory and voluntary items of the City's CAP and as such would continue to result in less than significant impacts resulting from operational GHG emissions.

To adequately address impacts related to GHG emissions of the future community shopping center, the Phase 2 IS/MND required that the Project implement Mitigation Measures GHG-1 and GHG-2, which required that the future community shopping center demonstrate compliance with the City's CAP, and that a GHG reduction strategy be developed and approved by the City of Santa Rosa. As the community shopping center is no longer proposed, implementation of measures GHG-1 and GHG-2 are no longer applicable to or required to be implemented by the Phase 3 Project. The Phase 2 MMRP has been revised to remove Mitigation Measures GHG-1 and GHG-2.

LAND USE/PLANNING

The Phase 2 IS/MND concluded that the Project would have no impact with regard to division of an established community as it would not introduce a new physical feature that would remove mobility and access within an established community, nor would it remove an existing road or pathway that could reduce or remove access between a community and outlying areas. In addition, the Phase 2 IS/MND concluded that with mitigation the Project would have a less than significant land use impact due to a conflict with a land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

The Project proposes 30 multi-family housing units on 1.29-gross acres of the 38 Degrees North site. The resulting density of 23 units per acre is consistent with the allowed density of the proposed Medium High Density Residential (18.0-30 units per acre) Land Use designation. Though the Project will eliminate the previously conceptualized community shopping center envisioned by the General Plan, with approval of the proposed General Plan amendments, the Project will provide housing consistent with General Plan goals and policies that seek to avoid urban sprawl (Goal GM-A), provide a diversity of housing types that are connected to goods and services (Policy LUL-E-2), provide housing to meet the needs of all residents (Goal H-A), and provide housing at increased densities to meet Santa Rosa's housing needs (Policy H-A-2). As such, the Project continues to be consistent with applicable General Plan goals, policies, and programs as well as regulations set forth in the City's Zoning Ordinance. Similar to the residential portion of Phase 2 and as discussed in the Addendum to the Noise and Vibration Assessment, prepared by Illingworth & Rodkin on July 14, 2021 (**Appendix C**), there is a potential that the proposed Phase 3 Project could conflict with noise compatibility standards due to siting new sensitive receptors in close proximity to existing noise sources such as roadways. Mitigation Measure LU-1 of the Phase 2 IS/MND requires that the Project provide sound rated windows, doors, and construction techniques to ensure that new residents introduced onsite are not exposed to elevated ambient noise levels. As discussed in the Addendum to the Noise and Vibration Assessment, residential units introduced by Phase 3 have the potential to be exposed to interior noise levels exceeding established thresholds. As stated therein, Mitigation Measure LU-1 would adequately reduce future interior noise levels at the new residential buildings. Therefore, the Phase 3 Project shall implement Mitigation Measure LU-1 to ensure impacts related to a potential land use conflict will remain at levels below significance. Replacement of the conceptualized commercial component with

² GHG emissions from vehicle trips are calculated based on vehicle miles traveled, which is presented below the Transportation section.

two new residential buildings, as proposed by the Phase 3 Project, will not result in any new or more severe impacts to land use as compared to impacts evaluated in the Phase 2 IS/MND.

NOISE

The Phase 2 IS/MND determined that, with implementation of Mitigation Measures, the Project would have a less than significant impact due to a substantial temporary or permanent increase in ambient noise levels in exceedance of established thresholds. In addition, the IS/MND concluded that the Project would have less than significant impacts as a result of excessive groundborne vibration or noise. Since the 38 Degrees North site is located more than 8 miles from the Sonoma County Airport and is not located within the vicinity of a private airstrip, the IS/MND concluded that the Project would have no impacts due to excessive noise associated with exposure of residents, employees, or customers to a public or private airport.

As discussed in the Addendum to the Noise and Vibration Assessment, prepared July 14, 2021, construction of the Phase 3 Project may generate perceptible vibration when heavy equipment or impact tools are used to complete construction activities including site demolition, preparation, foundation work, and new building framing and finishing. However, based on the vibration levels of construction equipment and the distance of existing nearby sensitive receptors from construction activities, groundborne noise and vibration will fall below established thresholds and impacts of the Project will continue to be less than significant. In addition, construction of the Project would result in a temporary increase in ambient noise that could exceed established thresholds. To address temporary ambient noise increases during construction, the Project is required to comply with Mitigation Measure NOI-1 identified in the Phase 2 IS/MND, which requires that the Project implement best construction management practices to reduce construction noise levels by limiting construction hours and minimizing disruption and annoyance due to noise exposure. With implementation of BMPs set forth in measure NOI-1, the Phase 3 Project will continue to have a less than significant impact as a result of temporary noise during construction, which is consistent with impact findings identified in the Phase 2 IS/MND.

At operation, Phase 3 will contribute to the ambient noise environment through introduction and day-to-day operation of mechanical equipment, activities associated with use of the parking areas and use of the other amenities provided by Phase 1 and Phase 2, and vehicles traveling to and from the Project site. As discussed in the Addendum to the Noise and Vibration Assessment, the size of the parking areas for Phase 3 would not generate additional noise as compared to what was assumed by the previous noise assessment. Furthermore, peak hour a.m. and p.m. trips would be reduced by 69 and 171, respectively as a result of replacing the community shopping center with 30 multi-family residential units. The decrease in peak hour trips associated with Phase 3, compared to what was analyzed in the Phase 2 IS/MND would result in a noise level at or below that which was assessed under the previous noise and vibration assessment. As such, operation of the new residences will not exceed established noise thresholds and will continue to have a less than significant impact related to a permanent noise increase. Therefore, the Phase 3 Project will not result in any new or more severe impacts to noise as compared to impacts evaluated in the Phase 2 IS/MND.

Though not considered an environmental impact, similar to Phase 2, the Phase 3 Project will introduce new sensitive noise receptors (residents) to an area that is subject to noise levels exceeding community noise exposure levels. Exposure of new residents to excessive noise levels is addressed

as a land use compatibility consideration as it relates to consistency with General Plan policies. As discussed in the Land Use section, above, Phase 3 will be required to comply with Mitigation Measure LU-1, which includes measures to ensure the Project, at operation, will not result in a land use compatibility conflict.

The Phase 2 IS/MND identified a potentially significant noise impact associated with operation of the community shopping center's mechanical equipment. As such, Mitigation Measure NOI-2 was imposed on the Phase 2 Project, requiring that suitable mechanical equipment be selected and reviewed by a qualified acoustic consultant to ensure impacts of operating the community shopping center on nearby sensitive receptors would be reduced to less than significant. The community shopping center is no longer proposed and therefore, measure NOI-2 is no longer applicable and has been removed from the revised MMRP.

POPULATION / HOUSING

The Phase 2 IS/MND concluded that the Project would result in less than significant impacts as a result of inducing substantial unplanned population growth. Furthermore, the Project site is vacant, and implementation would not result in the displacement of existing housing units or people, nor necessitate the construction of replacement housing elsewhere. Therefore, the project would have no impacts with regard to displacing existing residents or housing.

The Phase 2 IS/MND, concluded that the introduction of 172 multi-family residential units would result in approximately 456 new residents occupying the site, based on a per household size of 2.65 published by the State of California Department of Finance. The Phase 3 Project would introduce 30 additional multi-family residential units to the 38 Degrees North site, resulting in approximately 80 additional residents, which represent a marginal increase from that of the Phase 2 project. The population size for the Project continues to fall within the General Plan 2035 population projections and the Project will not result in substantial unplanned population growth. Furthermore, the Project would add to the City's existing housing stock, help meet the City's Regional Housing Needs Allocation (RHNA) and be served by existing and planned utilities. As such, the Project will continue to have a less than significant impact with regard to growth inducement and the Phase 3 Project will not result in any new or more severe impacts to noise as compared to impacts evaluated in the Phase 2 IS/MND.

TRANSPORTATION

The Phase 2 IS/MND concluded that, with implementation of mitigation measures, the Project would have a less than significant impact resulting from a substantial increase in hazards due to a geometric design feature. Additionally, the Project was determined to have less than significant impacts due to a conflict with a program, plan, ordinance, or policy addressing the circulation system, due to a conflict with CEQA Guidelines section 15064.3(b) related to vehicle miles traveled (VMT), or as a result of inadequate emergency access.

The Project, as conditioned would not result in conflicts with a program, plan, ordinance, or policy addressing the circulation system including a conflict with established Level of Service (LOS) conditions for nearby intersections, parking standards, or public transit, bicycle, and pedestrian facilities.

As proposed, parking spaces for the 38 Degrees North Phase 3 project would be insufficient to meet the requirements of the City's Zoning. A parking shortfall does not constitute an environmental impact. Rather it is considered a potential conflict with the Municipal Code. However, Code Section 20-36.050 provides for adjustments to the parking standard up to 25% and if granted, the project would be consistent with the City's provisions for onsite parking. The project is requesting a parking reduction of 23%, which is within the range allowed by the City's municipal code. Therefore, impacts due to a conflict with the parking requirements would result in less than significant environmental impacts.

In addition, with regard to VMT generation, the Project would need to generate at least 15 percent below the citywide average for multi-family residential households in order to result in a less than significant impact. The citywide average VMT for Santa Rosa is 16.53, and the Project would need to generate 14.05 VMT or less to have a less than significant impact. As stated in the VMT Analysis for the 38 Degrees North Project (**Appendix D**), prepared by W-Trans on September 8, 2021, the Project's VMT was estimated using standard methodology published by the California Air Pollution Control Officers Association (CAPCOA) which provides for reductions associated with increases in residential density. As provided therein, VMT associated with a residential development can be adjusted based on increases in residential density. Based on the proposed density, the Project was estimated to result in a 15.2 percent reduction in VMT relative to the baseline per capita average VMT for the site's traffic analysis zone (TAZ #573), which has a VMT per capita of 16.35 miles. Based on this reduction, the Project would generate 13.87 VMT per capita, which achieves the 15 percent threshold below the citywide average. Therefore, proposed Project achieves the 15 percent threshold below the citywide average and potential impacts due to VMT generated by the project would remain less than significant. In addition, the site is located within one-half mile of the Santa Rosa Marketplace which offers good and services in close proximity to residents. As such, impacts due to VMT generated by the project, including the introduction of 30 additional multi-family residential units will continue to be less than significant.

Lastly, the Project will continue to result in less than significant impacts related to inadequate emergency access. No road closures are anticipated and temporary construction encroaching into the public right-of-way during installation of frontage improvements will occur and have previously been analyzed as part of Phase 2 IS/MND. Furthermore, it is not anticipated that such encroachment would substantially impair emergency access. At operation, the Project will provide adequate emergency access as all drive aisles have been designed with sufficient width and turning radius and frontage roads will be fully improved to continue to accommodate emergency vehicles.

Phase 3 will utilize vehicular access points approved for the Phase 2 Project including one driveway on Farmers Lane Extension, and one on Franz Kafka Avenue. Circulation improvements for Phase 3 have been designed consistent with the City of Santa Rosa's standards and will provide adequate internal access to surface parking and residential garages on the site. To ensure all driveways provide adequate sight lines, Mitigation Measure TRANS-1 of the Phase 2 IS/MND requires installation of red curb markings for a minimum of 50-feet north of the northern driveway of Franz Kafka Avenue. Mitigation Measure TRANS-1 will be implemented by Phase 3 and impacts with regard to a geometric design feature hazard will continue to be less than significant. Therefore, the Phase 3 Project will not result in any new or more severe impacts to transportation as compared to impacts evaluated in the Phase 2 IS/MND.

5. CONCLUSION

As described above, the revised Phase 3 Project will not result in new or more severe environmental impacts beyond those identified in the Phase 1 and Phase 2 IS/MNDs, approved in 2017 and 2020, respectively. The Phase 3 Project will be subject to all applicable mitigation measures identified in the MMRP adopted for the approved Phase 2 Project, as depicted in the Updated MMRP (**Appendix E**) 38 Degrees North Phase 3. Therefore, the Phase 3 Project will not result in any new or more severe impacts as compared to impacts evaluated in the prior environmental analyses prepared for the subject 38 Degrees North Project site. As such, no further environmental review is warranted.

6. REFERENCE DOCUMENTS

6.1 Appendices

- A. 38 Degrees North Retail & Grocery Analysis
- B. Climate Action Plan New Development Checklist for Phase 3
- C. 38 Degrees North Santa Rosa, CA - Addendum to the Noise and Vibration Assessment
- D. VMT Analysis for the 38 Degrees North Project
- E. Updated Mitigation Monitoring and Reporting Program (MMRP): 38 Degrees North Phase 3

6.2 Other Referenced Documents

- 1. 38 Degrees North Phase 2 Initial Study/Mitigated Negative Declaration, June 2020
- 2. Kawana Springs Apartments Homes (Phase 1 of 38 Degrees North) Initial Study/Mitigated Negative Declaration, July 2017



38 NORTH RETAIL & GROCERY ANALYSIS

Commercial Development Site
Kennedy Wilson
Santa Rosa, California
April 2021 (Update of October 2018 Report)



BACKGROUND & OBJECTIVES

This project review was prepared by Zonda, a market research and consulting firm specializing in the real estate industry. It has been commissioned by Kennedy Wilson. The objective of this analysis is to provide due diligence efforts and to assess the market-based opportunity for the grocery store development at 38 North, a commercial site in Santa Rosa, California. This report is an update of our study from October 2018.

Note: This report was completed during the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, the duration and consequences of which are still largely unknown. Our research and conclusions are based upon the best information available to us at the time of publication.

LIMITING CONDITIONS

Client is responsible for representations about the development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the difference may be material. We have no responsibility to update our report for events and circumstances occurring after the date of our report. Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

KEY CONTACTS

The following key team members participated on this analysis:

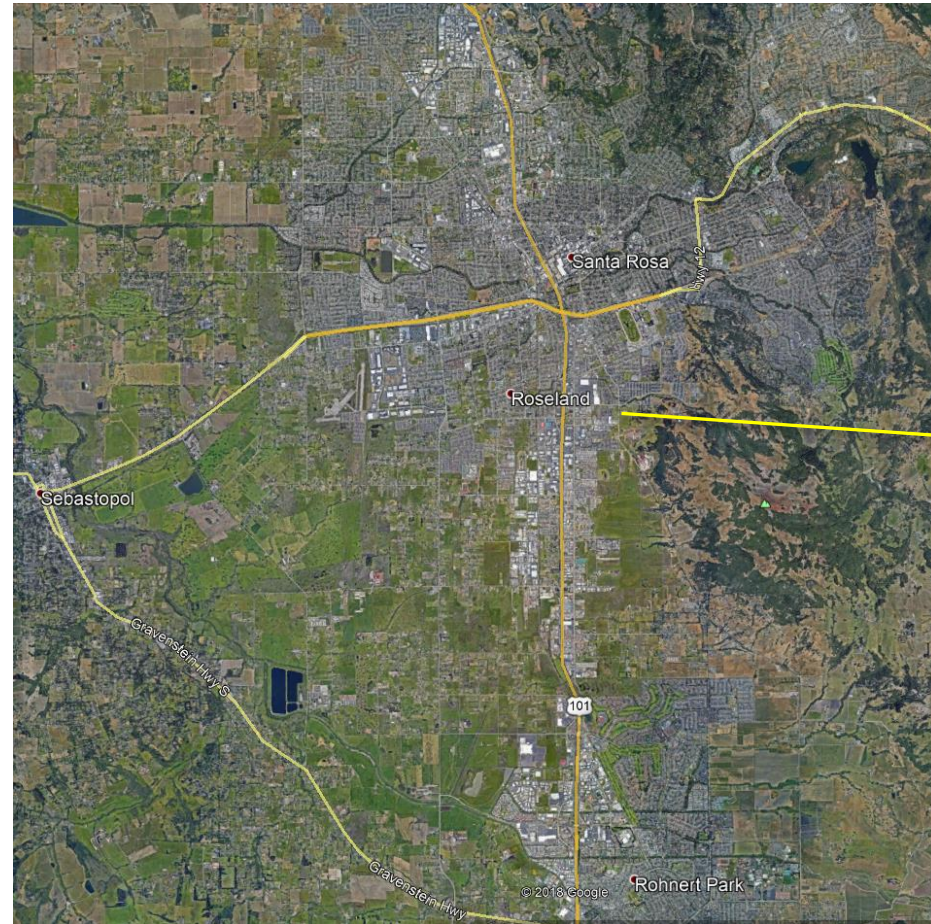
Tim Sullivan, Senior Managing Principal, oversees our Advisory practice. With over 38 years of experience, Mr. Sullivan is an expert in residential and mixed use feasibility studies, strategic planning and product development, and regularly conducts market analyses around the United States and internationally.

Shaun McCutcheon, Vice President. Mr. McCutcheon has 18 years of experience in the Real Estate Industry and specializes in market analysis for our residential and commercial consulting assignments. Mr. McCutcheon regularly works all over the United States on a variety of asset types, including in Northern California.

Additional support was provided as needed.

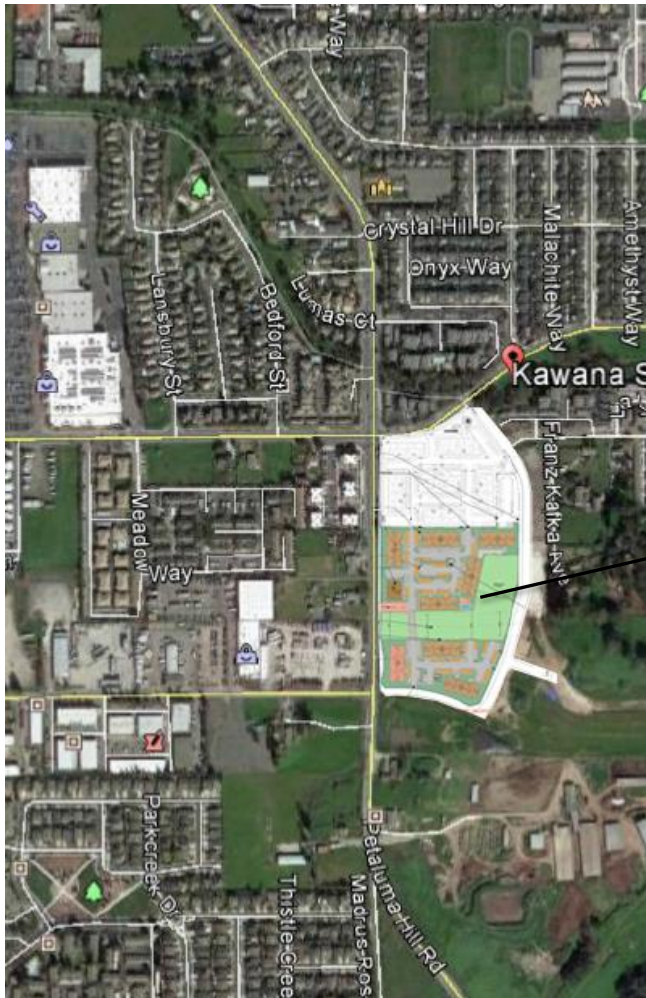
| | |
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| Retail Demand Analysis | 24 |
| Retail Market Trends | 42 |
| Appendix | 49 |

The 38 North site is located in the southeast quadrant of the greater Santa Rosa area. This location is proximate to downtown Santa Rosa to the north, Sebastopol to the west, and Rohnert Park to the south. Specifically, the Site is located just over a half-mile east of the 101 freeway and the Yolanda Avenue exit. Surrounding uses include residential communities to the north and southwest, retail centers along Santa Rosa Avenue to the west, and open space to the east. The region is known for its quaint communities, green hillsides, as well as agriculture uses including several wineries.

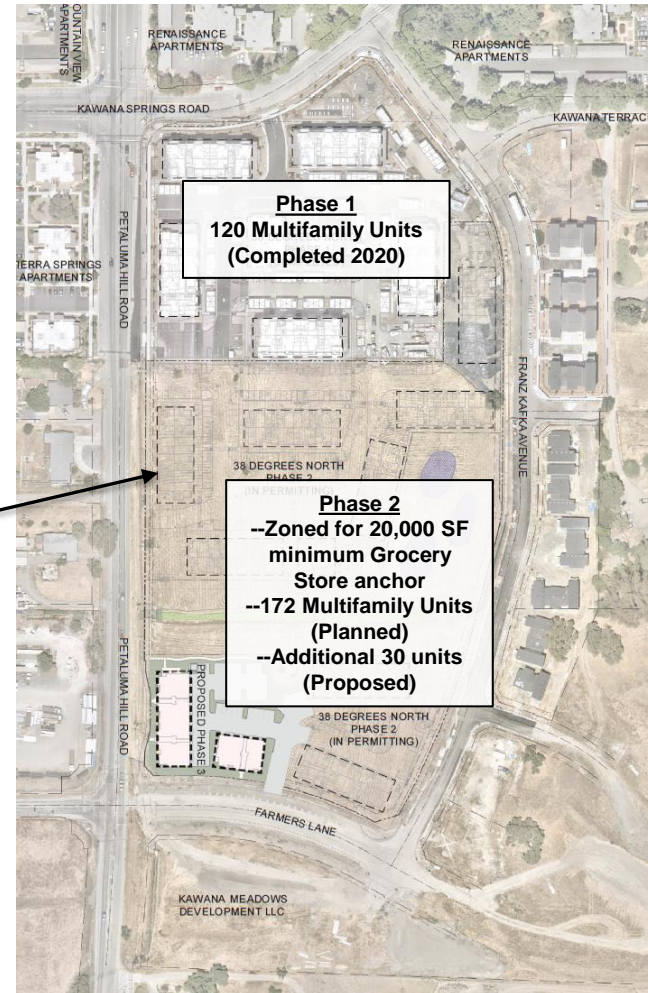


Source: Google Earth

38 North is a phased development on 18 acres. The first phase, completed in 2020, comprises 120 multifamily units and the second/third phases are in various stages of entitlement approvals and permitting. Current zoning requires a grocery store on the Site, with a minimum size of 20,000 square feet and a parking ratio of 4 spaces per 1,000 square feet. Kennedy Wilson is in permitting for a 172-unit multifamily project on the southern half of the development site and is proposing 30 additional units in lieu of a grocery store.



Source: BSB Design, Kennedy Wilson



Key Findings

38 North, Santa Rosa, California (2021 Update)

Based on our research, including site visits, retail market trends, supply-demand factors and conversations with local commercial brokers, the 38 North Site does not support any anchor retail uses and does not support a grocery store anchor in particular. Key conclusions from the retail/ grocery opportunity analysis are as follows:

- **Our retail demand analysis does not indicate any supportable retail uses at the Site in the foreseeable future.** This is based on current household spending levels as well as household growth and income projections through 2025. Because the local area has more supply than demand for nearly every retail category, this does not suggest support for any new space currently or over the next five years. This view is supported by local commercial brokers, who reported that in the local area **supply meets or exceeds demand, vacancies are high, and rents for anchor spaces are relatively low.** See the Retail Demand Analysis section for details related to market supply and demand for various retail uses over time.
- **Several major grocery anchors are located within a three-mile radius of 38 North Site,** including grocers such as Whole Foods, Safeway, Lucky, and Trader Joe's; bulk/ general merchandise anchors that offer groceries (Costco, Walmart, Target); discount supermarkets (FoodMaxx and Smart & Final); as well as department stores (two Macy's, Sears, and JCPenney). According to local commercial brokers, the area is well served in virtually every retail category. This oversupply is evident at Santa Rosa Market place which has a 31,000 square foot anchor space vacant (former Office Depot), Santa Rosa Town Center which has one anchor space vacant that comprises 6,500 square feet, as well as Santa Rosa Southside shopping center, which has a 38,000 square foot anchor space that is vacant (former Toys R Us). This center is located just over a half-mile from the Site in a superior, high-traffic location, and would be better suited to accommodate any potential grocery anchor interested in entering the local area.
- **Traffic levels at the Site are well below existing retail concentrations.** The roads leading to the 38 North Site have Average Daily Traffic volume (ADTs) of 16,800 vehicles per day, while existing retail locations offer significantly higher traffic levels. The 38 North site is situated on Petaluma Hill Road (16,800 ADTs) and near Kawana Springs Road (11,138 ADTs). These levels of traffic are not as high as retail anchors such as a grocery store would prefer (at least 20,000-30,000 ADTs), and well below the traffic levels experienced at other retail centers in the local area. For example, the nearby retail centers at Santa Rosa Marketplace, Santa Rosa Town Center and Santa Rosa Southside center are all located on Santa Rosa Avenue, which offers 27,900 to 28,000 ADTs. Further, these centers have access and visibility to the 101 Freeway, which boasts traffic levels of 130,000 to 157,000 ADTs. Further, 38 North images reveal the Site and surrounding area are largely undeveloped. These images reveal the rural nature of the surrounding area including uninhabited rolling hills to the east, and is evidence of a lack of existing households in the immediate area, which is not conducive to commercial uses or a grocery store in particular.
- **Vacancy rates are at the highest levels on record.** In Sonoma County, the vacancy rate has increased from 4.9% one year ago to 7.7% in Q4 2020 and in Santa Rosa the vacancy rate increased significantly over the past four years, from a low of 2.1% in 2017 to 8.4% in Q4 2020. The increase in vacancy rates is partially due to the negative impact on retail during the COVID-19 pandemic, as well as other factors that were in process prior to COVID, such as the shift to online retail in many retail categories.
- **Conversations with retail brokers further indicate a weak opportunity for retail development at the Site.** Brokers view the site as relatively isolated from population concentrations and high traffic roads that are necessary for successful retail centers. Further, the achievable rents for an anchor tenant are likely to be relatively low, and incentives/ expectations are likely to be high. For example, an anchor space at the Santa Rosa Town Center has recently been leased to Scandinavian Designs Furniture for \$12.60 per square foot per year (as-is), and the Ross anchor has a lease rate of \$10.00 per square foot per year. The listing broker mentioned that **rents are stagnant, and the Scandinavian Designs space was leased to CompUSA for \$15.00 per square foot 25 years ago, 16% more than the current lease.** Based on the location of the 38 North Site, it is likely that a grocery anchor would achieve approximately \$10.00 to \$12.00 per square foot per year lease rate, which is not sufficient to justify new construction, according to local brokers.

Our retail demand model does not indicate any notable level of expected demand through the foreseeable future. This is based on current household spending levels as well as household growth and income projections through 2025. Because the local area has more supply than demand for nearly every retail category, this does not suggest support for any new space currently or over the next five years, consistent with our 2018 study. This view is supported by local commercial brokers, who reported that in the local area supply meets or exceeds demand. See the Retail Demand Analysis section for details related to market supply and demand for various retail uses over time.

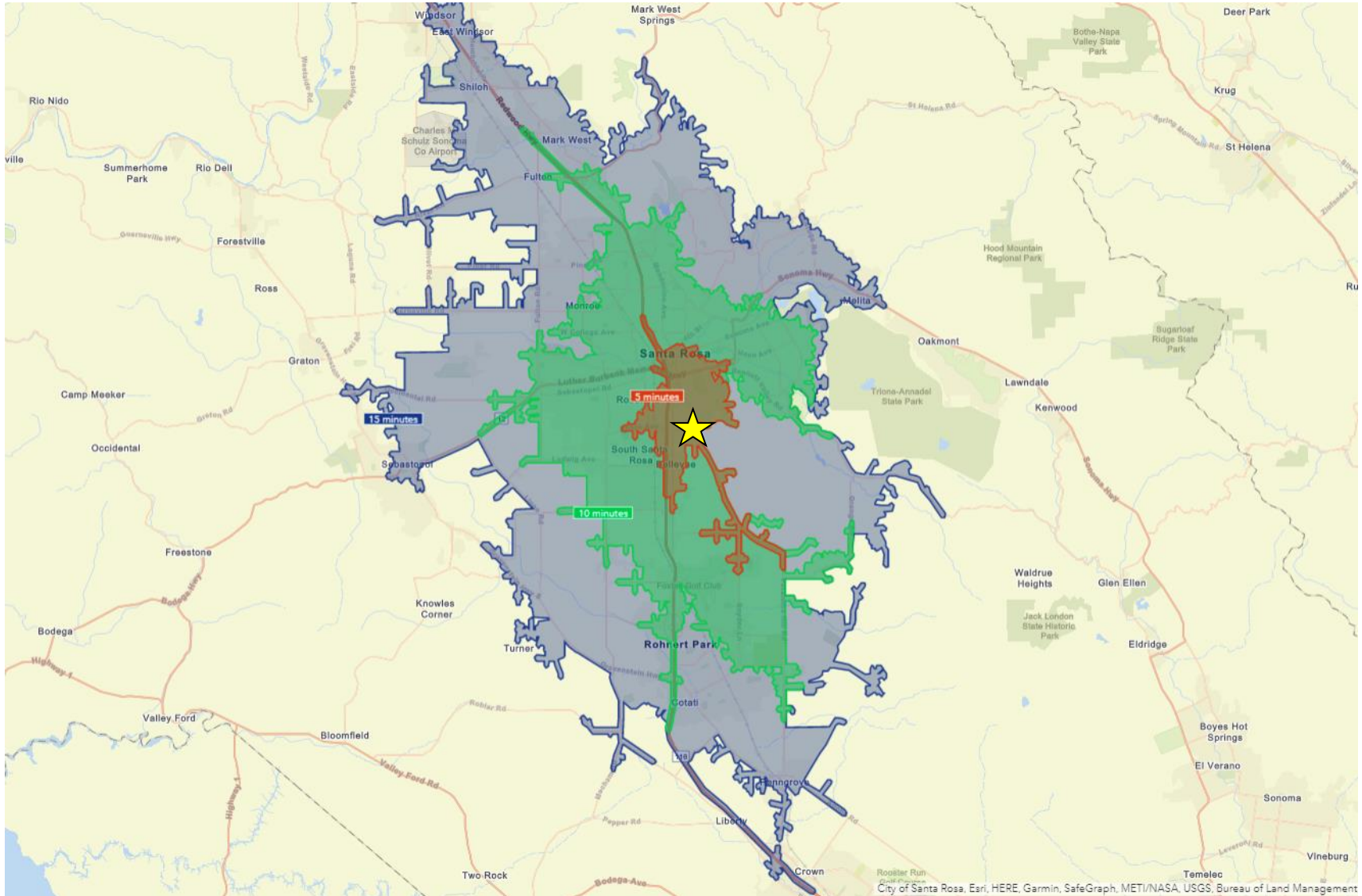
| Retail Demand at At 38 North Site (Average of 1-Mile, 2-Mile and 3-Mile Radius & Capture) | | |
|---|---------------------|---------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (3,244) | (1,596) |
| Jewelry, Luggage & Leather Goods | (724) | (361) |
| Lawn & Garden Equip & Supply | (515) | (333) |
| Shoe Stores | (2,892) | (2,591) |
| Specialty Food Stores | (293) | (7) |
| Florists | (26) | 49 |
| Drinking Places - Alcoholic Beverages | 29 | 93 |
| Special Food Services | (1,862) | (1,801) |
| Clothing Stores | (11,935) | (10,241) |
| Direct Selling Establishments | (1,344) | (1,198) |
| Book, Periodical & Music | (1,704) | (1,454) |
| Beer, Wine & Liquor Stores | (5,119) | (4,831) |
| Other Miscellaneous Store Retailers | (4,917) | (4,195) |
| Bldg Material & Supplies Dealers | (25,343) | (22,655) |
| Restaurants/Other Eating Places | (8,856) | (5,922) |
| Office Supplies, Stationery & Gifts | (4,626) | (4,198) |
| Used Merchandise Stores | (4,677) | (4,481) |
| Grocery Stores | (1,057) | 2,376 |
| Electronics & Appliance Stores | (13,135) | (12,675) |
| Furniture Stores | (13,418) | (12,446) |
| Dept. Stores Excluding Leased Depts. | (22,052) | (18,855) |
| Home Furnishings Stores | (33,974) | (33,113) |
| Auto Parts, Accessories & Tire | (44,500) | (43,602) |
| Sporting Goods/Hobby/Musical Instr | (41,123) | (39,543) |
| Other General Merchandise Stores | (116,692) | (114,520) |
| TOTAL | (364,003) | (338,099) |

The 2,376 square feet of supportable grocery in 2025 is just a fraction of what a grocery operator can operate at and is a fraction of the 20,000 square feet required on our site, hence not feasible

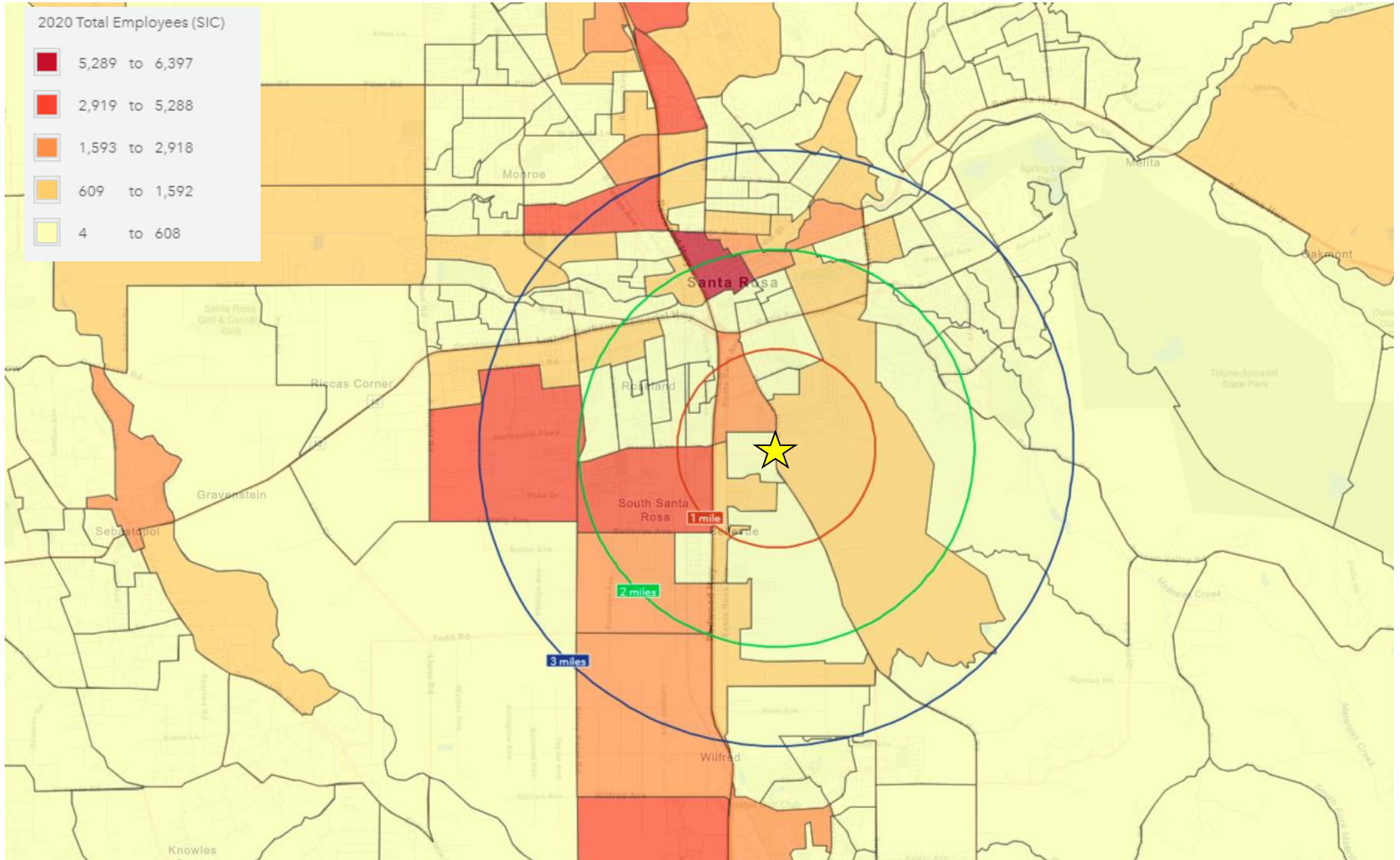
Location Overview

38 North, Santa Rosa, California (2021 Update)

The 38 North Site is within 10 minutes of population concentrations of Santa Rosa, Roseland and Rohnert Park. Most of the populated areas of the greater Santa Rosa area are within a 15 minute drive from the Site.



Employment concentrations are located to the north and west of the 38 North Site. The highest density of employment nodes are to the north, in downtown Santa Rosa, as well as employment nodes in South Santa Rosa, located to the west of the Site. Most of the area immediately surrounding the 38 North Site has limited employment.

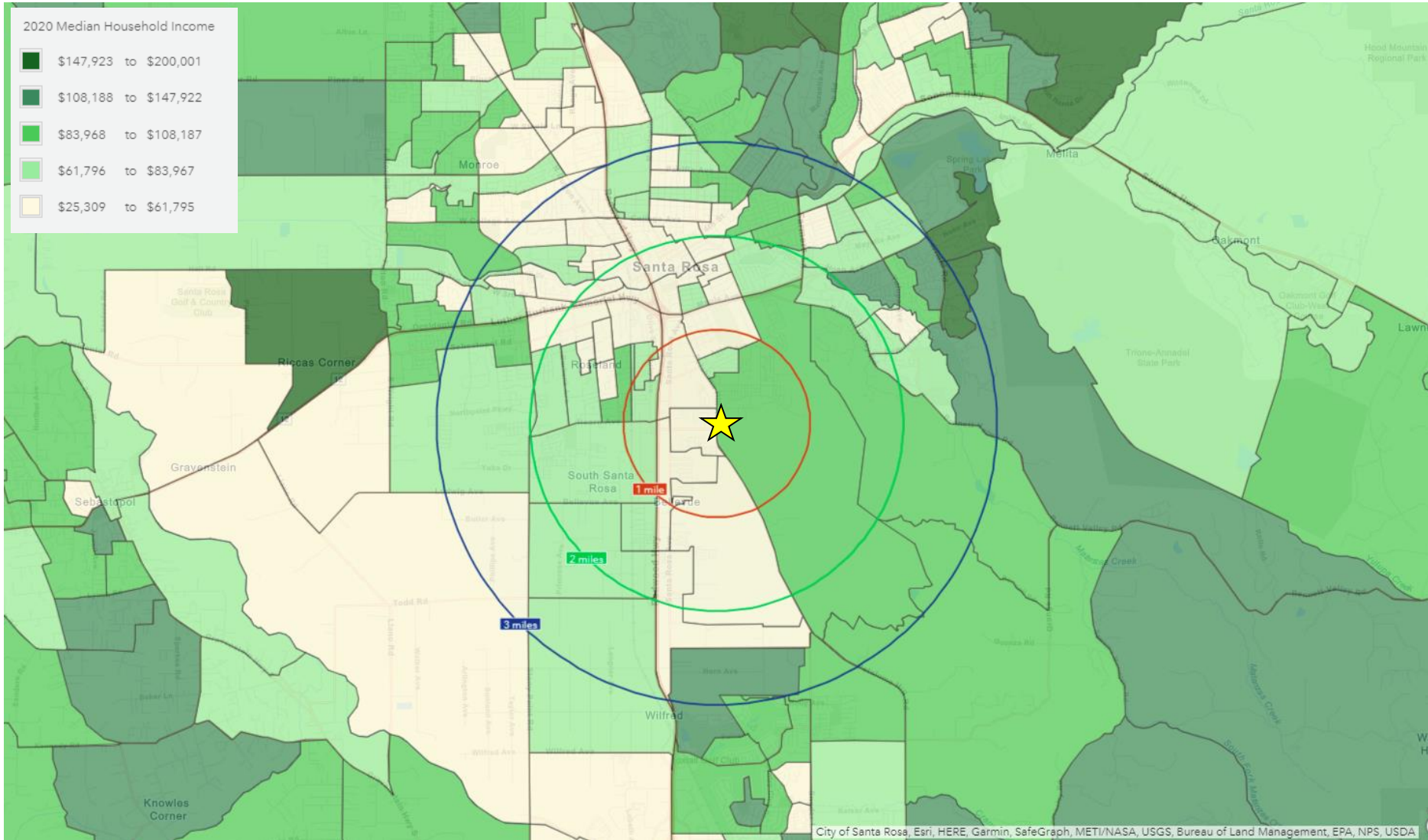


HOUSEHOLD INCOME HEAT MAP

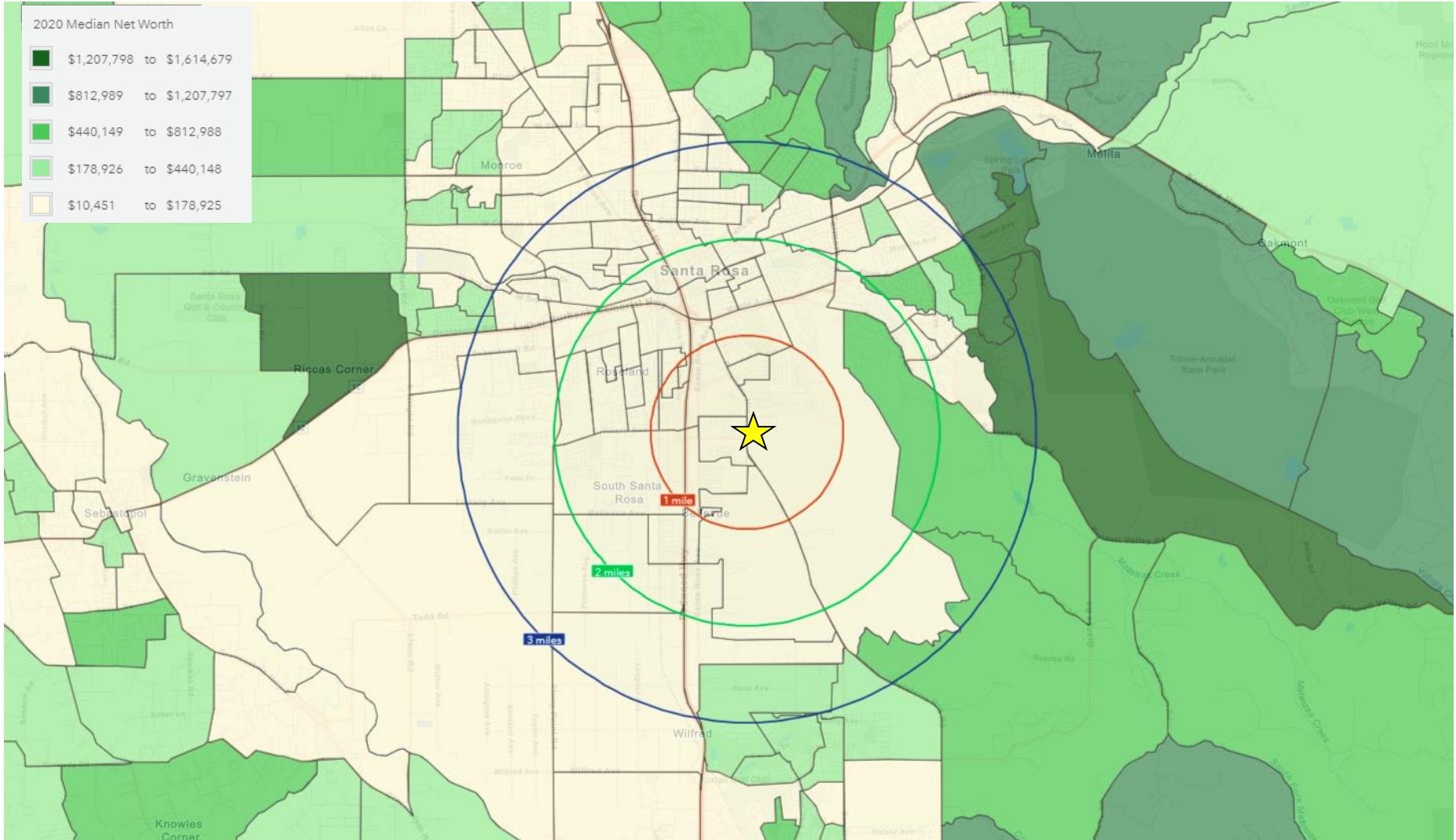
Location Overview Regional Drivers



Higher household incomes are located to the east and west of the Site. This map illustrates that local household incomes near the Santa Rosa Site are lower than areas such as to the east, along Bennett Valley Road in particular (dark green).

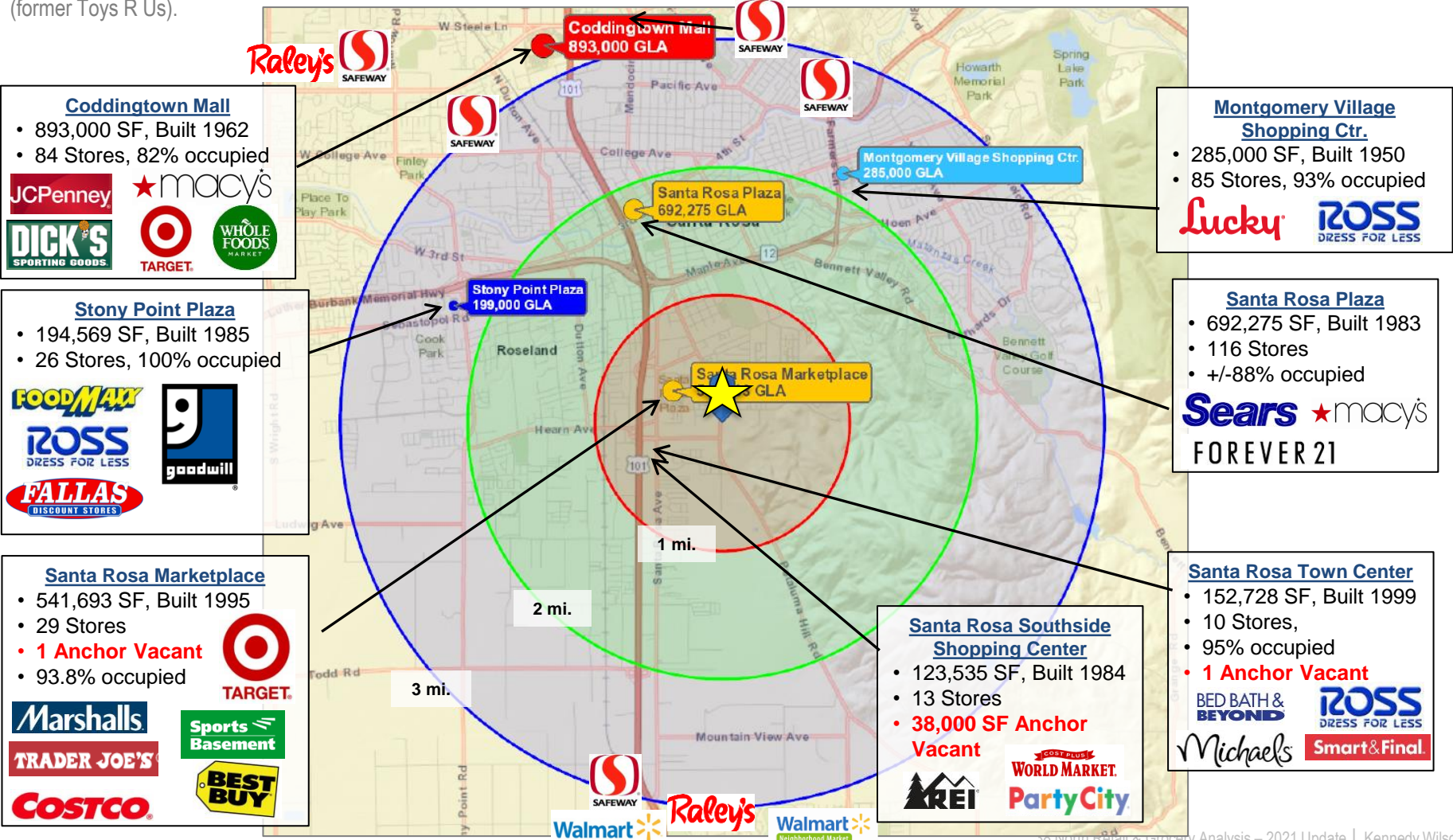


Similarly, there is elevated household net worth to the east and west of the Site. This map illustrates 2020 median net worth by zip code in the region. Note that in general, there are several areas east of the Site that have relatively high net worth levels.



Source: ESRI

The area surrounding 38 North Site is characterized by a number of grocery stores and “big box” retailers. Several major retail anchors are located within a three-mile radius of 38 North Site, including grocers such as Whole Foods, Safeway, and Trader Joe’s as well as bulk/ general merchandise anchors (Costco, Walmart, Target) and department stores (two Macy’s, Sears, JCPenney). According to local commercial brokers, the area is well served in virtually every retail category. This oversupply is evident at Santa Rosa Market place which has a 31,000 square foot anchor space vacant (former Office Depot), Santa Rosa Town Center which has one anchor space vacant that comprises 6,500 square feet, as well as Santa Rosa Southside shopping center, which has a 38,000 square foot anchor space that is vacant (former Toys R Us).

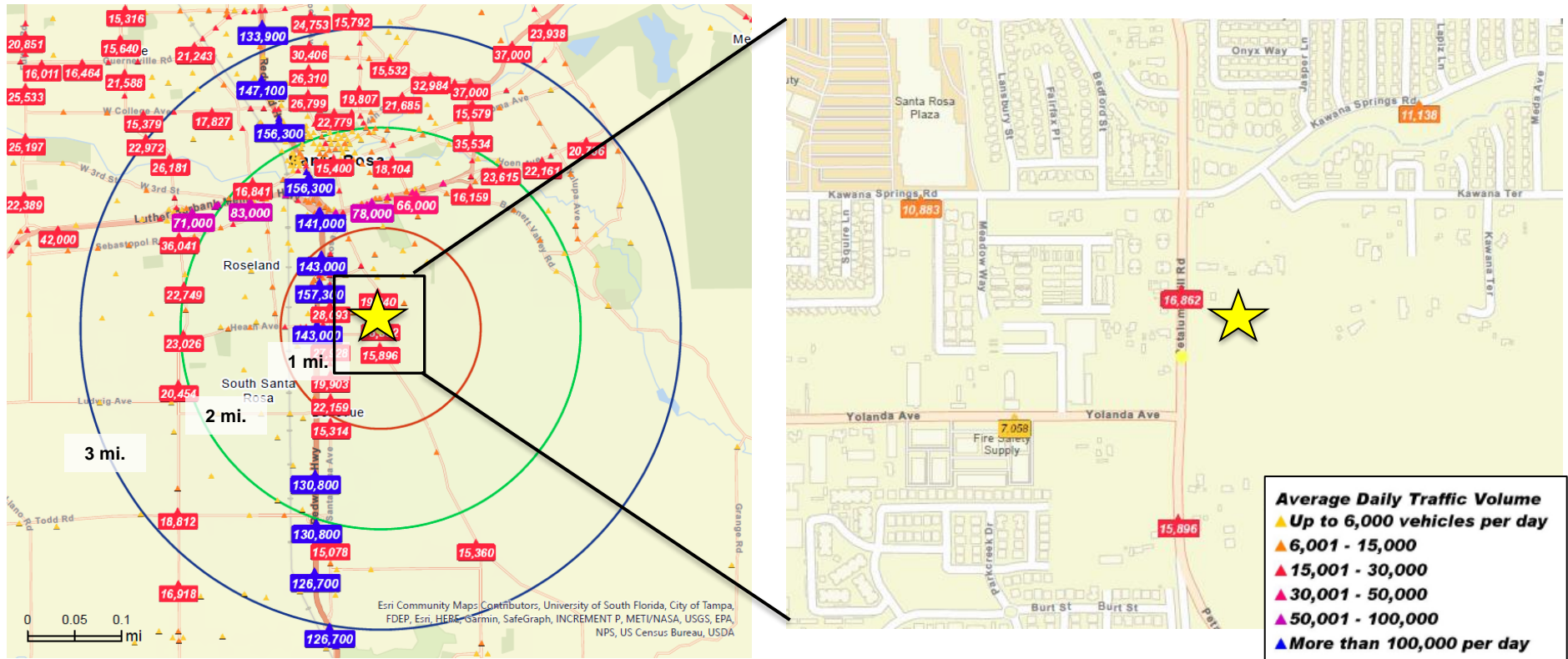


SITE OFFERS DECENT TRAFFIC LEVELS BUT HIGHER TRAFFIC ROADS ARE NEARBY

Average Daily Traffic Levels Near 38 North Site



The roads leading to the 38 North Site have Average Daily Traffic volume (ADTs) of 16,800 vehicles per day, while existing retail locations offer significantly higher traffic levels. The 38 North site is situated on Petaluma Hill Road (16,800 ADTs) and near Kawana Springs Road (11,138 ADTs). These levels of traffic are not as high as retail anchors such as a grocery store would prefer (at least 20,000-30,000 ADTs), and well below the traffic levels experienced at other retail centers in the local area. For example, the nearby retail centers at Santa Rosa Marketplace, Santa Rosa Town Center and Santa Rosa Southside center are all located on Santa Rosa Avenue, which offers 27,900 to 28,000 ADTs. Further, these centers have access and visibility to the 101 Freeway, which boasts traffic levels of 130,000 to 157,000 ADTs.



Source: ESRI

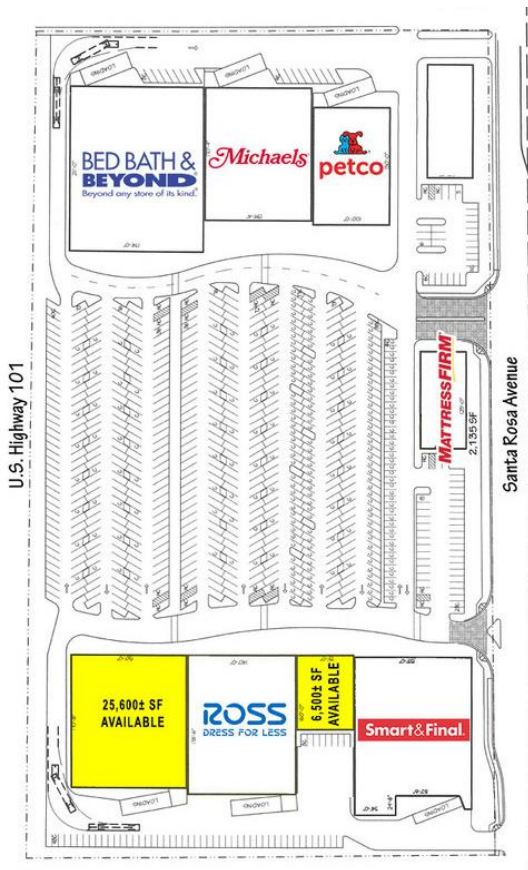
Key Project Profiles

38 North, Santa Rosa, California (2021 Update)

Santa Rosa Marketplace a retail power center at the northeast corner of Santa Rosa Avenue and Kawana Springs Road, less than a half mile from the 38 North Site. The 541,000 square foot center was built in 1995. Anchor tenants include Target (with groceries), Costco, Best Buy, BevMo, Marshalls, Office Depot and Sports Basement among others. In total, the center comprises 29 shops and restaurants and is 93.8% leased—a former Office Depot anchor comprising 31,635 square feet is vacant, with an asking lease rate of \$22.00 per square foot per year (NNN) and a 1,500 square foot space has a lease rate of \$55.00 per square foot per year (NNN) with \$25.00 per square foot tenant improvement allowance.

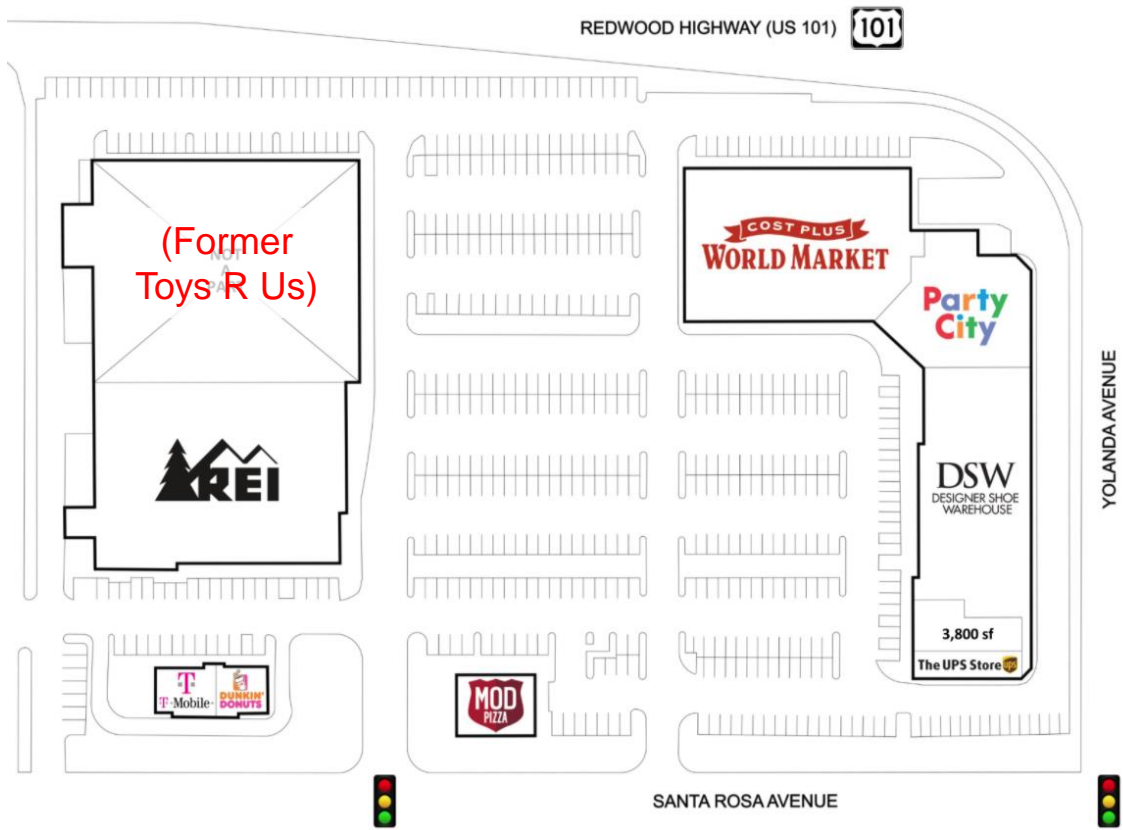


Santa Rosa Town Center is a retail power center at Highway 101 and Santa Rosa Avenue, approximately 0.7 miles from the Site. The 152,000 square foot center was built in 1999 and is 95% leased. Anchor tenants include Smart & Final, Bed Bath & Beyond, Ross, Michaels and Petco. The 25,000 square foot space shown below as vacant has recently been leased to Scandinavian Designs Furniture for \$12.60 per square foot per year (as-is), and the Ross anchor has a lease rate of \$10.00 per square foot per year. The listing broker mentioned that rents are stagnant in the center, and the Scandinavian Designs space was leased to CompUSA for \$15.00 per square foot 25 years ago, 16% more than the current lease.



Source: Keegan & Coppin

Santa Rosa Southside shopping center is a retail power center at Highway 101, Yolanda Avenue, and Santa Rosa Avenue, approximately 0.6 miles from the Site. The 123,000 square foot center was built in 1984. Anchor tenants include REI, Cost Plus World Market, DSW and Party City. It is important to note that there are three vacant spaces ranging from 1,768 to 38,000 square feet, for an overall occupancy rate of 65.5%.

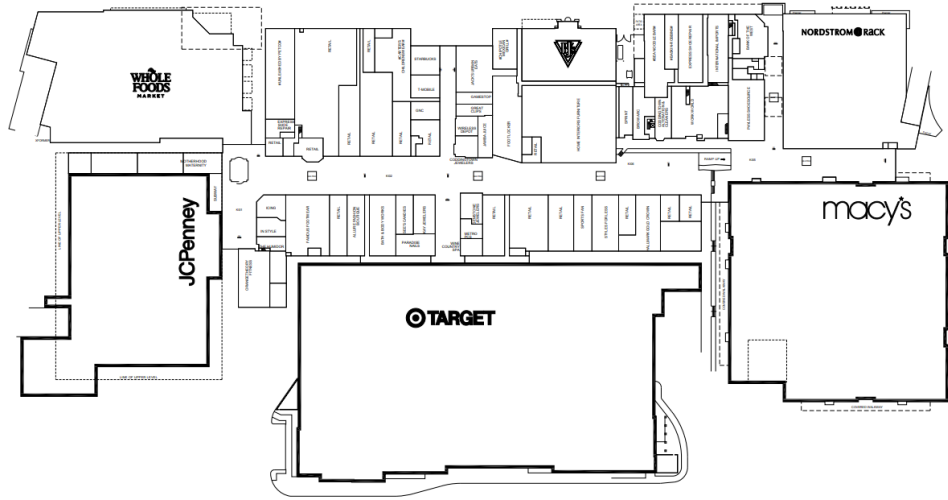


Santa Rosa Plaza a regional mall at Highway 101 and 3rd Street, approximately 2.3 miles north of the Site. The 692,000 square foot center was built in 1983 and acquired by Simon in 1998. Anchor tenants include Macy's, Sears, and Forever 21 among others. In total, the center comprises 120 shops and restaurants and is approximately 88% leased.



Source: Simon Property Group, Keegan & Coppin

Coddington Mall is a regional mall at Highway 101 and W State Lane, approximately three miles north of the Site. The 893,000 square foot center was built in 1962, and renovated from 2008 through 2016—a Ralphs supermarket was replaced by a Whole Foods in 2010, a Gottschalks department store building was replaced by a Target store in 2014, and a Nordstrom Rack was built in 2016. Other anchor tenants include JCPenney and Macy's. In total, the center comprises 84 shops and restaurants and is approximately 82% leased.



Source: Coddington Enterprises, Simon Property Group

Montgomery Village Shopping Center is a specialty retail center located at Highway 12 and Sonoma Avenue, approximate three miles north of the Site. The 250,000 square foot center was built in 1950. Anchor tenants include a Lucky supermarket and Ross. In total, the center comprises 76 shops and restaurants in a walkable, promenade oriented setting. Currently the center is 93% occupied.



Source: Montgomery Village Shopping Center

Stony Point Plaza is a discount oriented shopping center at Highway 12, Stony Point Road and Sebastopol Road, approximately three miles west of the Site. The 194,000 square foot center was built in 1985. Anchor tenants include FoodMaxx, Ross, Fallas Paredes and Goodwill. The center is currently fully occupied.



Retail Demand Analysis

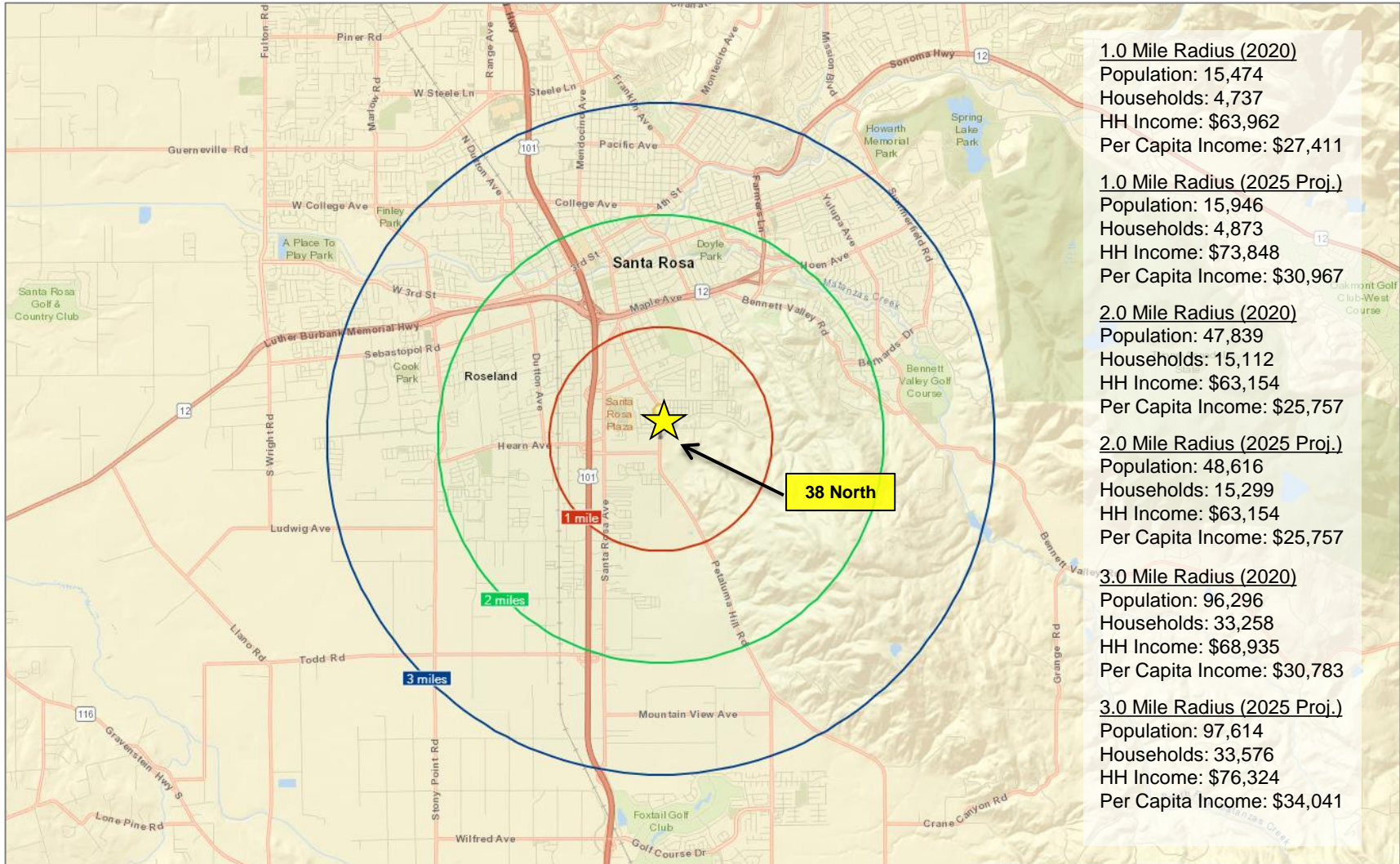
38 North, Santa Rosa, California (2021 Update)

38 NORTH SITE LOCATION AND RETAIL TRADE AREAS CONSIDERED FOR DEMAND MODEL

Meyers Research Considered Demand in a 1, 2, and 3 Mile Radius



Our retail demand analysis considers demand for additional retail uses in 1-mile, 2-mile and 3-mile radii from the Site. While it is possible that the Site could pull demand from other areas of Sonoma County, we used these radii to measure demand since any prospective grocery store anchors will prioritize the local fundamentals of demand versus any marginal demand that may exist in more remote areas.



Source: ESRI

Our retail demand model does not indicate any notable level of expected demand through the foreseeable future. This is based on current household spending levels as well as household growth and income projections through 2025. Because the local area has more supply than demand for nearly every retail category, this does not suggest support for any new space currently or over the next five years, consistent with our 2018 study. This view is supported by local commercial brokers, who reported that in the local area supply meets or exceeds demand.

| Retail Demand at At 38 North Site (Average of 1-Mile, 2-Mile and 3-Mile Radius & Capture) | | |
|---|------------------------|------------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (3,244) | (1,596) |
| Jewelry, Luggage & Leather Goods | (724) | (361) |
| Lawn & Garden Equip & Supply | (515) | (333) |
| Shoe Stores | (2,892) | (2,591) |
| Specialty Food Stores | (293) | (7) |
| Florists | (26) | 49 |
| Drinking Places - Alcoholic Beverages | 29 | 93 |
| Special Food Services | (1,862) | (1,801) |
| Clothing Stores | (11,935) | (10,241) |
| Direct Selling Establishments | (1,344) | (1,198) |
| Book, Periodical & Music | (1,704) | (1,454) |
| Beer, Wine & Liquor Stores | (5,119) | (4,831) |
| Other Miscellaneous Store Retailers | (4,917) | (4,195) |
| Bldg Material & Supplies Dealers | (25,343) | (22,655) |
| Restaurants/Other Eating Places | (8,856) | (5,922) |
| Office Supplies, Stationery & Gifts | (4,626) | (4,198) |
| Used Merchandise Stores | (4,677) | (4,481) |
| Grocery Stores | (1,057) | 2,376 |
| Electronics & Appliance Stores | (13,135) | (12,675) |
| Furniture Stores | (13,418) | (12,446) |
| Dept. Stores Excluding Leased Depts. | (22,052) | (18,855) |
| Home Furnishings Stores | (33,974) | (33,113) |
| Auto Parts, Accessories & Tire | (44,500) | (43,602) |
| Sporting Goods/Hobby/Musical Instr | (41,123) | (39,543) |
| Other General Merchandise Stores | (116,692) | (114,520) |
| TOTAL | (364,003) | (338,099) |

Source: Zonda, ESRI, ULI

The chart below estimates a capture (%) of total retail demand in a one-mile radius used in our retail demand analysis. We estimate that the 38 North Site can enjoy approximately one-half of demand (+/-50%) within this area, since the 38 North Site represents a large commercial parcel but there are other viable retail sites nearby. In the one mile radius, most of the retail categories are oversupplied due to the presence of large “big box” retailers within this area (Costco, Target, Trader Joes, Best Buy, etc.). There is a small amount of demand (less than 4,000 square feet) in the Health & Personal Care, Jewelry, Lawn & Garden and Shoe Stores categories among others, but none are large enough to support a retail anchor of 20,000 square feet or more, or a grocery store anchor in particular.

| Total Retail Demand - 1 Mile Radius | | |
|---------------------------------------|---------------------|---------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | 4,729 | 7,833 |
| Jewelry, Luggage & Leather Goods | 3,373 | 4,050 |
| Lawn & Garden Equip & Supply | 1,704 | 2,046 |
| Shoe Stores | 1,568 | 2,136 |
| Specialty Food Stores | 1,493 | 2,032 |
| Florists | 384 | 525 |
| Drinking Places - Alcoholic Beverages | 299 | 418 |
| Special Food Services | (751) | (635) |
| Clothing Stores | (1,805) | 1,386 |
| Direct Selling Establishments | (2,582) | (2,315) |
| Book, Periodical & Music | (2,787) | (2,318) |
| Beer, Wine & Liquor Stores | (6,114) | (5,572) |
| Other Miscellaneous Store Retailers | (7,308) | (5,942) |
| Bldg Material & Supplies Dealers | (8,945) | (3,826) |
| Restaurants/Other Eating Places | (10,344) | (4,812) |
| Office Supplies, Stationery & Gifts | (10,552) | (9,745) |
| Used Merchandise Stores | (10,900) | (10,530) |
| Grocery Stores | (13,411) | (6,942) |
| Electronics & Appliance Stores | (28,689) | (27,823) |
| Furniture Stores | (29,050) | (27,216) |
| Dept. Stores Excluding Leased Depts. | (42,251) | (36,228) |
| Home Furnishings Stores | (66,171) | (64,547) |
| Auto Parts, Accessories & Tire | (95,196) | (93,507) |
| Sporting Goods/Hobby/Musical Instr | (95,226) | (92,248) |
| Other General Merchandise Stores | (297,522) | (293,423) |
| TOTAL | (716,055) | (667,199) |

Source: Zonda, ESRI, ULI

| Retail Demand At 38 North Site - 1 Mile Radius (50% Capture) | | |
|--|---------------------|---------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | 2,364 | 3,917 |
| Jewelry, Luggage & Leather Goods | 1,687 | 2,025 |
| Lawn & Garden Equip & Supply | 852 | 1,023 |
| Shoe Stores | 784 | 1,068 |
| Specialty Food Stores | 746 | 1,016 |
| Florists | 192 | 262 |
| Drinking Places - Alcoholic Beverages | 149 | 209 |
| Special Food Services | (375) | (318) |
| Clothing Stores | (902) | 693 |
| Direct Selling Establishments | (1,291) | (1,157) |
| Book, Periodical & Music | (1,394) | (1,159) |
| Beer, Wine & Liquor Stores | (3,057) | (2,786) |
| Other Miscellaneous Store Retailers | (3,654) | (2,971) |
| Bldg Material & Supplies Dealers | (4,472) | (1,913) |
| Restaurants/Other Eating Places | (5,172) | (2,406) |
| Office Supplies, Stationery & Gifts | (5,276) | (4,872) |
| Used Merchandise Stores | (5,450) | (5,265) |
| Grocery Stores | (6,706) | (3,471) |
| Electronics & Appliance Stores | (14,344) | (13,911) |
| Furniture Stores | (14,525) | (13,608) |
| Dept. Stores Excluding Leased Depts. | (21,126) | (18,114) |
| Home Furnishings Stores | (33,086) | (32,273) |
| Auto Parts, Accessories & Tire | (47,598) | (46,753) |
| Sporting Goods/Hobby/Musical Instr | (47,613) | (46,124) |
| Other General Merchandise Stores | (148,761) | (146,711) |
| TOTAL | (358,028) | (333,600) |

The chart below estimates a capture (%) of total retail demand in a two-mile radius from the retail demand section. We estimate that the 38 North Site can enjoy a smaller portion of demand (+/-25%), given that 38 North Site encompasses a relatively small portion of this two-mile radius, with several other viable retail sites in this area. At 25% capture, this analysis indicates an oversupply of retailers in nearly every category currently and over the next five years. There is evidence of a marginal amount of support for a grocery store in the two mile radius, but is not at a level to support a +/-20,000 square foot grocer at the Site.

| Total Retail Demand - 2 Mile Radius | | |
|---------------------------------------|------------------------|------------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (35,412) | (28,432) |
| Jewelry, Luggage & Leather Goods | (12,538) | (10,992) |
| Lawn & Garden Equip & Supply | (7,526) | (6,756) |
| Shoe Stores | (26,273) | (25,004) |
| Specialty Food Stores | (5,332) | (4,122) |
| Florists | (977) | (655) |
| Drinking Places - Alcoholic Beverages | (367) | (95) |
| Special Food Services | (13,393) | (13,135) |
| Clothing Stores | (91,873) | (84,696) |
| Direct Selling Establishments | (5,590) | (4,954) |
| Book, Periodical & Music | (8,061) | (6,999) |
| Beer, Wine & Liquor Stores | (28,728) | (27,504) |
| Other Miscellaneous Store Retailers | (24,723) | (21,679) |
| Bldg Material & Supplies Dealers | (184,858) | (173,586) |
| Restaurants/Other Eating Places | (50,163) | (37,750) |
| Office Supplies, Stationery & Gifts | (15,905) | (14,094) |
| Used Merchandise Stores | (15,618) | (14,785) |
| Grocery Stores | 18,364 | 32,893 |
| Electronics & Appliance Stores | (47,704) | (45,756) |
| Furniture Stores | (49,242) | (45,134) |
| Dept. Stores Excluding Leased Depts. | (91,917) | (78,384) |
| Home Furnishings Stores | (139,449) | (135,814) |
| Auto Parts, Accessories & Tire | (165,607) | (161,802) |
| Sporting Goods/Hobby/Musical Instr | (138,533) | (131,846) |
| Other General Merchandise Stores | (338,494) | (329,314) |
| TOTAL | (1,479,917) | (1,370,394) |

Source: Zonda, ESRI, ULI

| Retail Demand At 38 North Site - 2 Mile Radius (25% Capture) | | |
|--|------------------------|------------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (8,853) | (7,108) |
| Jewelry, Luggage & Leather Goods | (3,134) | (2,748) |
| Lawn & Garden Equip & Supply | (1,881) | (1,689) |
| Shoe Stores | (6,568) | (6,251) |
| Specialty Food Stores | (1,333) | (1,030) |
| Florists | (244) | (164) |
| Drinking Places - Alcoholic Beverages | (92) | (24) |
| Special Food Services | (3,348) | (3,284) |
| Clothing Stores | (22,968) | (21,174) |
| Direct Selling Establishments | (1,398) | (1,238) |
| Book, Periodical & Music | (2,015) | (1,750) |
| Beer, Wine & Liquor Stores | (7,182) | (6,876) |
| Other Miscellaneous Store Retailers | (6,181) | (5,420) |
| Bldg Material & Supplies Dealers | (46,214) | (43,396) |
| Restaurants/Other Eating Places | (12,541) | (9,437) |
| Office Supplies, Stationery & Gifts | (3,976) | (3,523) |
| Used Merchandise Stores | (3,904) | (3,696) |
| Grocery Stores | 4,591 | 8,223 |
| Electronics & Appliance Stores | (11,926) | (11,439) |
| Furniture Stores | (12,311) | (11,284) |
| Dept. Stores Excluding Leased Depts. | (22,979) | (19,596) |
| Home Furnishings Stores | (34,862) | (33,954) |
| Auto Parts, Accessories & Tire | (41,402) | (40,450) |
| Sporting Goods/Hobby/Musical Instr | (34,633) | (32,961) |
| Other General Merchandise Stores | (84,623) | (82,329) |
| TOTAL | (369,979) | (342,599) |

The chart below estimates a capture (%) of total retail demand in a three-mile radius from the retail demand section. We estimate that 38 North Site can enjoy approximately a smaller portion of demand (+/-10%), given that 38 North Site encompasses a relatively small portion of this three-mile radius, with several other viable retail sites in this area. At 10% capture, this analysis indicates an oversupply of retailers in nearly every category currently and over the next five years.

| Total Retail Demand - 3 Mile Radius | | |
|---------------------------------------|------------------------|------------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (90,981) | (75,979) |
| Jewelry, Luggage & Leather Goods | (18,054) | (14,651) |
| Lawn & Garden Equip & Supply | (8,089) | (6,358) |
| Shoe Stores | (33,361) | (30,716) |
| Specialty Food Stores | (4,774) | (2,229) |
| Florists | (4,319) | (3,577) |
| Drinking Places - Alcoholic Beverages | (676) | (87) |
| Special Food Services | (13,954) | (13,403) |
| Clothing Stores | (104,217) | (89,025) |
| Direct Selling Establishments | 1,593 | 3,123 |
| Book, Periodical & Music | (18,347) | (16,088) |
| Beer, Wine & Liquor Stores | (37,427) | (34,788) |
| Other Miscellaneous Store Retailers | (32,931) | (26,439) |
| Bldg Material & Supplies Dealers | (337,197) | (312,891) |
| Restaurants/Other Eating Places | (77,800) | (51,457) |
| Office Supplies, Stationery & Gifts | (15,096) | (11,243) |
| Used Merchandise Stores | (19,354) | (17,572) |
| Grocery Stores | (178,966) | (148,342) |
| Electronics & Appliance Stores | (49,163) | (45,006) |
| Furniture Stores | (24,368) | (15,627) |
| Dept. Stores Excluding Leased Depts. | (108,105) | (79,509) |
| Home Furnishings Stores | (140,526) | (132,703) |
| Auto Parts, Accessories & Tire | (149,915) | (141,803) |
| Sporting Goods/Hobby/Musical Instr | (143,471) | (129,345) |
| Other General Merchandise Stores | (281,611) | (262,294) |
| TOTAL | (1,891,106) | (1,658,010) |

| Retail Demand At 38 North Site - 3 Mile Radius (10% Capture) | | |
|--|------------------------|------------------------|
| Category | 2020 Supportable SF | 2025 Supportable SF |
| Health & Personal Care Stores | (9,098) | (7,598) |
| Jewelry, Luggage & Leather Goods | (1,805) | (1,465) |
| Lawn & Garden Equip & Supply | (809) | (636) |
| Shoe Stores | (3,336) | (3,072) |
| Specialty Food Stores | (477) | (223) |
| Florists | (432) | (358) |
| Drinking Places - Alcoholic Beverages | (68) | (9) |
| Special Food Services | (1,395) | (1,340) |
| Clothing Stores | (10,422) | (8,902) |
| Direct Selling Establishments | 159 | 312 |
| Book, Periodical & Music | (1,835) | (1,609) |
| Beer, Wine & Liquor Stores | (3,743) | (3,479) |
| Other Miscellaneous Store Retailers | (3,293) | (2,644) |
| Bldg Material & Supplies Dealers | (33,720) | (31,289) |
| Restaurants/Other Eating Places | (7,780) | (5,146) |
| Office Supplies, Stationery & Gifts | (1,510) | (1,124) |
| Used Merchandise Stores | (1,935) | (1,757) |
| Grocery Stores | (17,897) | (14,834) |
| Electronics & Appliance Stores | (4,916) | (4,501) |
| Furniture Stores | (2,437) | (1,563) |
| Dept. Stores Excluding Leased Depts. | (10,810) | (7,951) |
| Home Furnishings Stores | (14,053) | (13,270) |
| Auto Parts, Accessories & Tire | (14,991) | (14,180) |
| Sporting Goods/Hobby/Musical Instr | (14,347) | (12,935) |
| Other General Merchandise Stores | (28,161) | (26,229) |
| TOTAL | (189,111) | (165,801) |

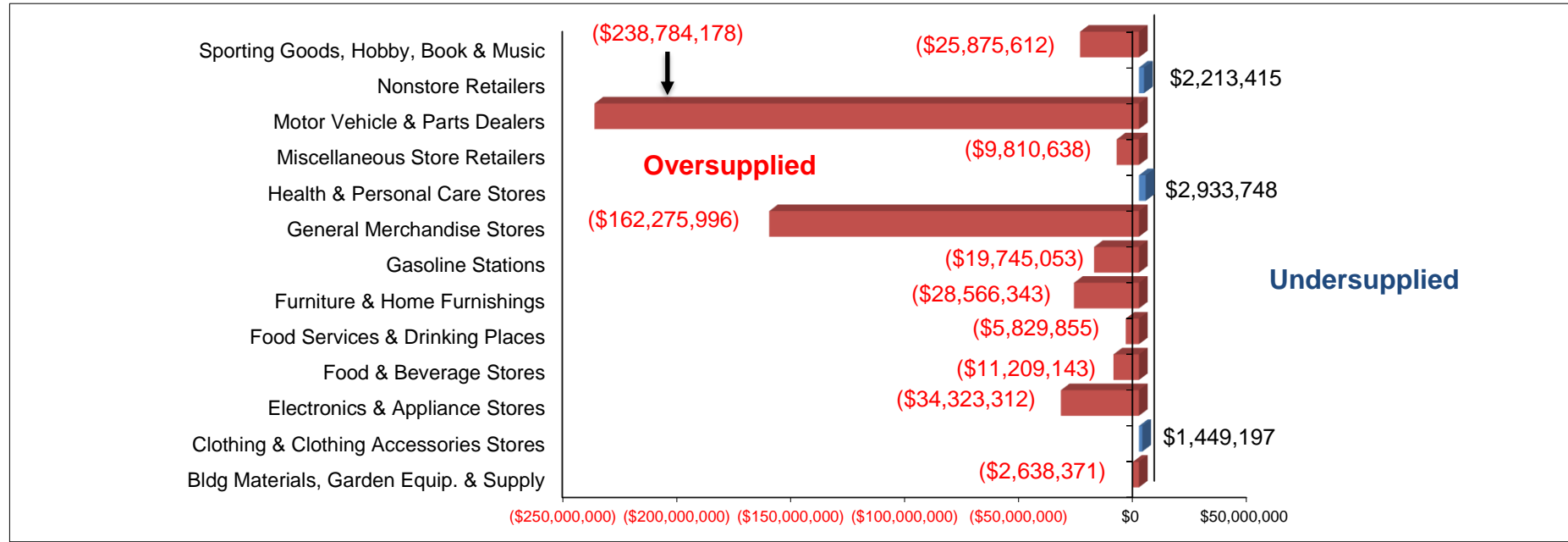
Source: Meyers Research, ESRI, ULI

OPPORTUNITY TO CAPTURE RETAIL SALES BY SEGMENT – 1 MILE RADIUS

Retail Demand Analysis



Most retail categories are oversupplied in the 1-mile radius. In this demand model, there is a notable oversupply in the Motor Vehicle and General Merchandise categories, which is logical considering the presence of several car dealerships and Target. There is slight undersupply in the Clothing and Health & Personal Care categories.



| Retail Categories | DEMAND | SUPPLY | LEAKAGE | |
|--|---------------------------------------|---------------------------------|------------------------|----------------|
| | Retail Expenditures by Area Residents | Retail Spending Within the Area | Difference \$ | Difference % |
| Bldg Materials, Garden Equip. & Supply | \$8,162,971 | \$10,801,342 | (\$2,638,371) | -32.3% |
| Clothing & Clothing Accessories Stores | \$10,211,301 | \$8,762,104 | \$1,449,197 | 14.2% |
| Electronics & Appliance Stores | \$5,164,438 | \$39,487,750 | (\$34,323,312) | -664.6% |
| Food & Beverage Stores | \$23,386,797 | \$34,595,940 | (\$11,209,143) | -47.9% |
| Food Services & Drinking Places | \$15,518,785 | \$21,348,640 | (\$5,829,855) | -37.6% |
| Furniture & Home Furnishings | \$5,169,970 | \$33,736,313 | (\$28,566,343) | -552.5% |
| Gasoline Stations | \$13,069,205 | \$32,814,258 | (\$19,745,053) | -151.1% |
| General Merchandise Stores | \$24,091,913 | \$186,367,909 | (\$162,275,996) | -673.6% |
| Health & Personal Care Stores | \$9,596,999 | \$6,663,251 | \$2,933,748 | 30.6% |
| Miscellaneous Store Retailers | \$5,220,489 | \$15,031,127 | (\$9,810,638) | -187.9% |
| Motor Vehicle & Parts Dealers | \$29,589,455 | \$268,373,633 | (\$238,784,178) | -807.0% |
| Nonstore Retailers | \$4,030,504 | \$1,817,089 | \$2,213,415 | 54.9% |
| Sporting Goods, Hobby, Book & Music | \$4,535,336 | \$30,410,948 | (\$25,875,612) | -570.5% |
| Total | \$157,748,163 | \$690,210,304 | (\$532,462,141) | -337.5% |

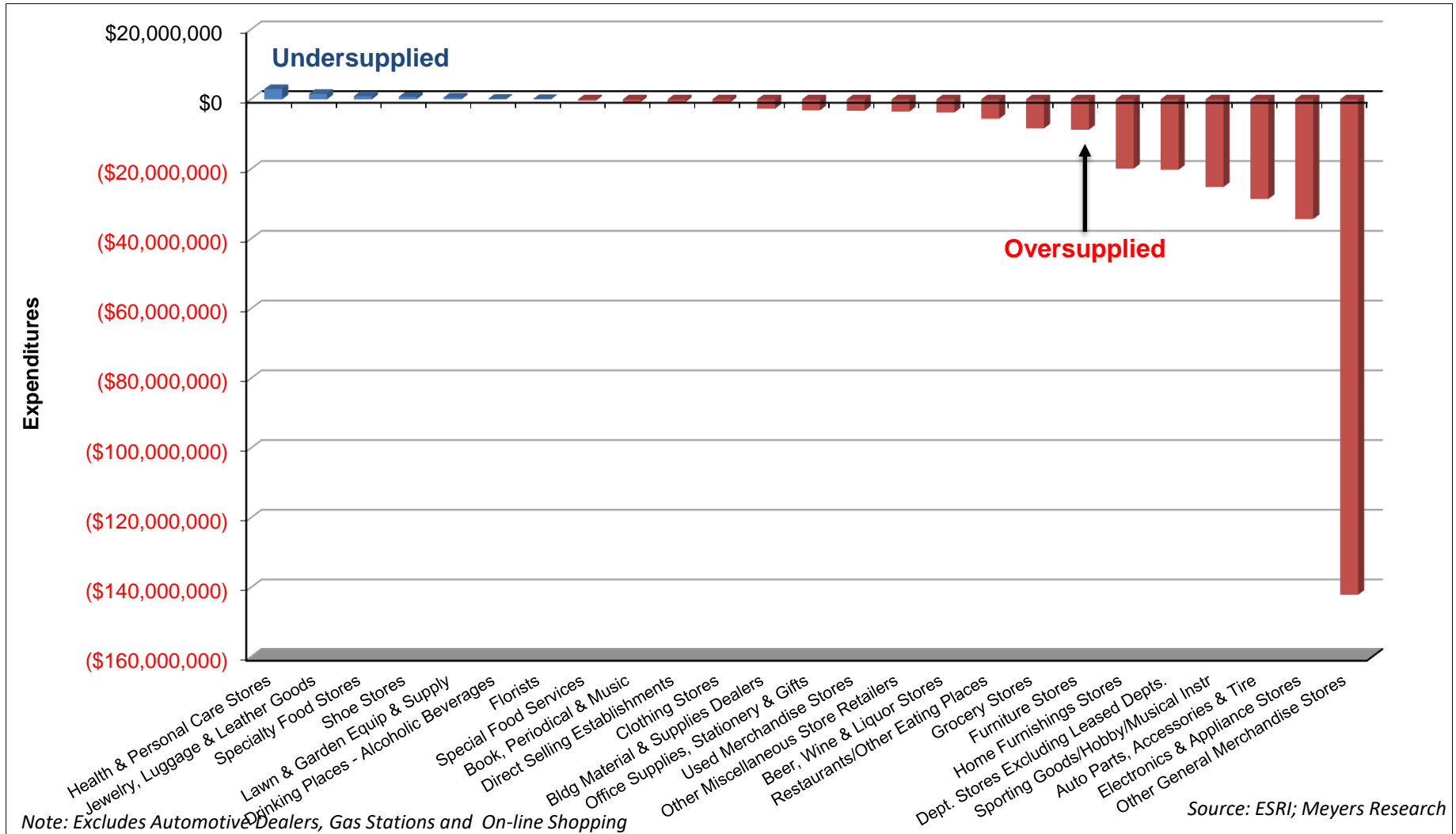
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE EXPENDITURES BY RETAIL TYPE – 1 MILE RADIUS

Retail Demand Analysis



The chart below expands on the previous over- and under-supplied retail segments by looking at detailed retail subcategories in the 1-mile radius. There is evidence of unmet demand for seven out of 26 subcategories in the 1-mile radius, including some slight unmet demand in the Health & Personal Care and Jewelry subcategories, among others. It is important to note that the Grocery Store subcategory is oversupplied.



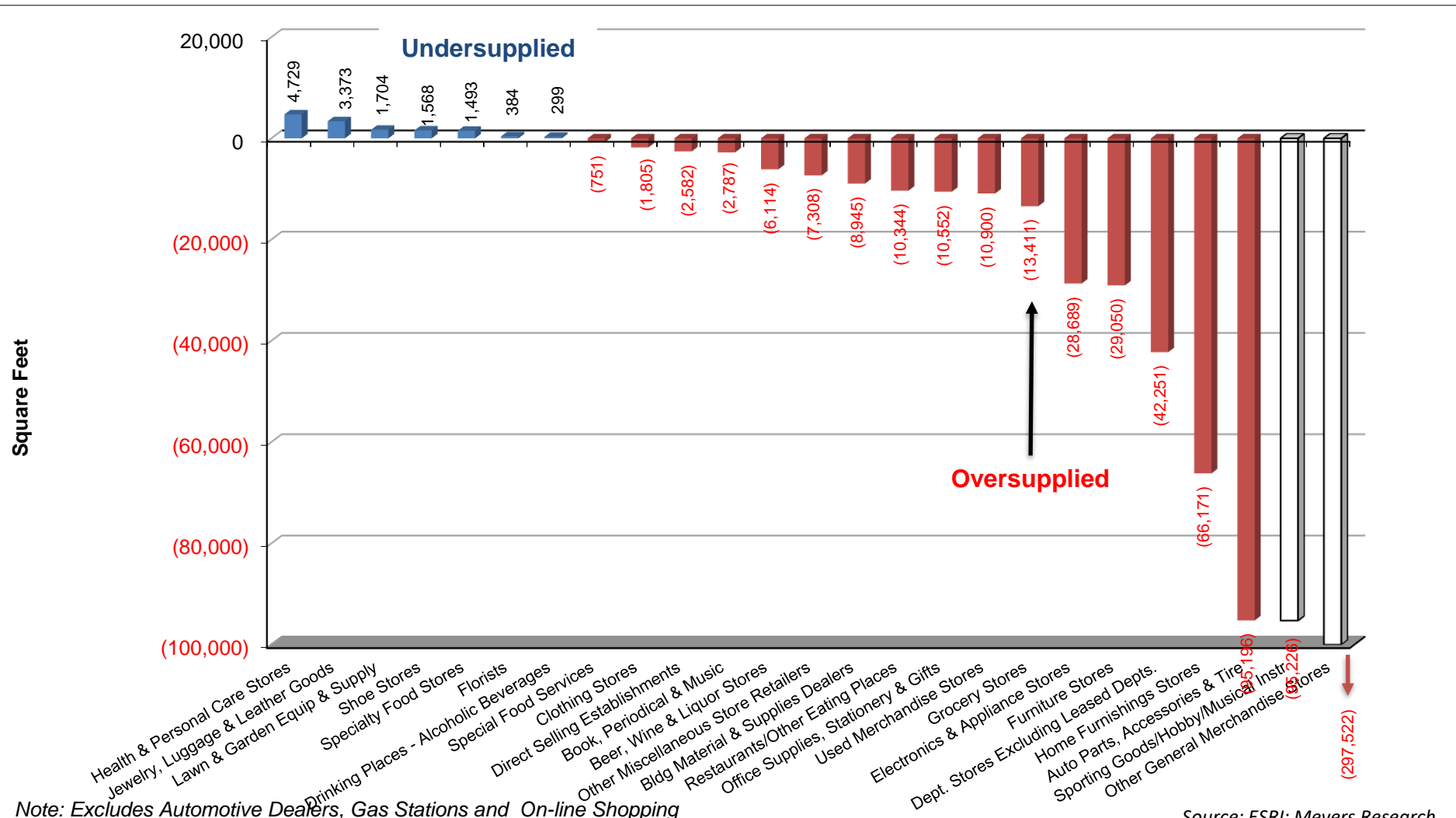
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 1 MILE RADIUS

Retail Demand Analysis



The chart below translates the over- and under-supplied retail subcategories' revenues into supportable square feet in the 1-mile radius area. The unmet expenditures in the Health & Personal Care, Jewelry, and Lawn & Garden subcategories equate to less than 5,000 square feet in additional space that could be supported currently, but the majority of retail subcategories are oversupplied—it is important to note that the Grocery Store subcategory in particular is oversupplied.



Note: Excludes Automotive Dealers, Gas Stations and On-line Shopping

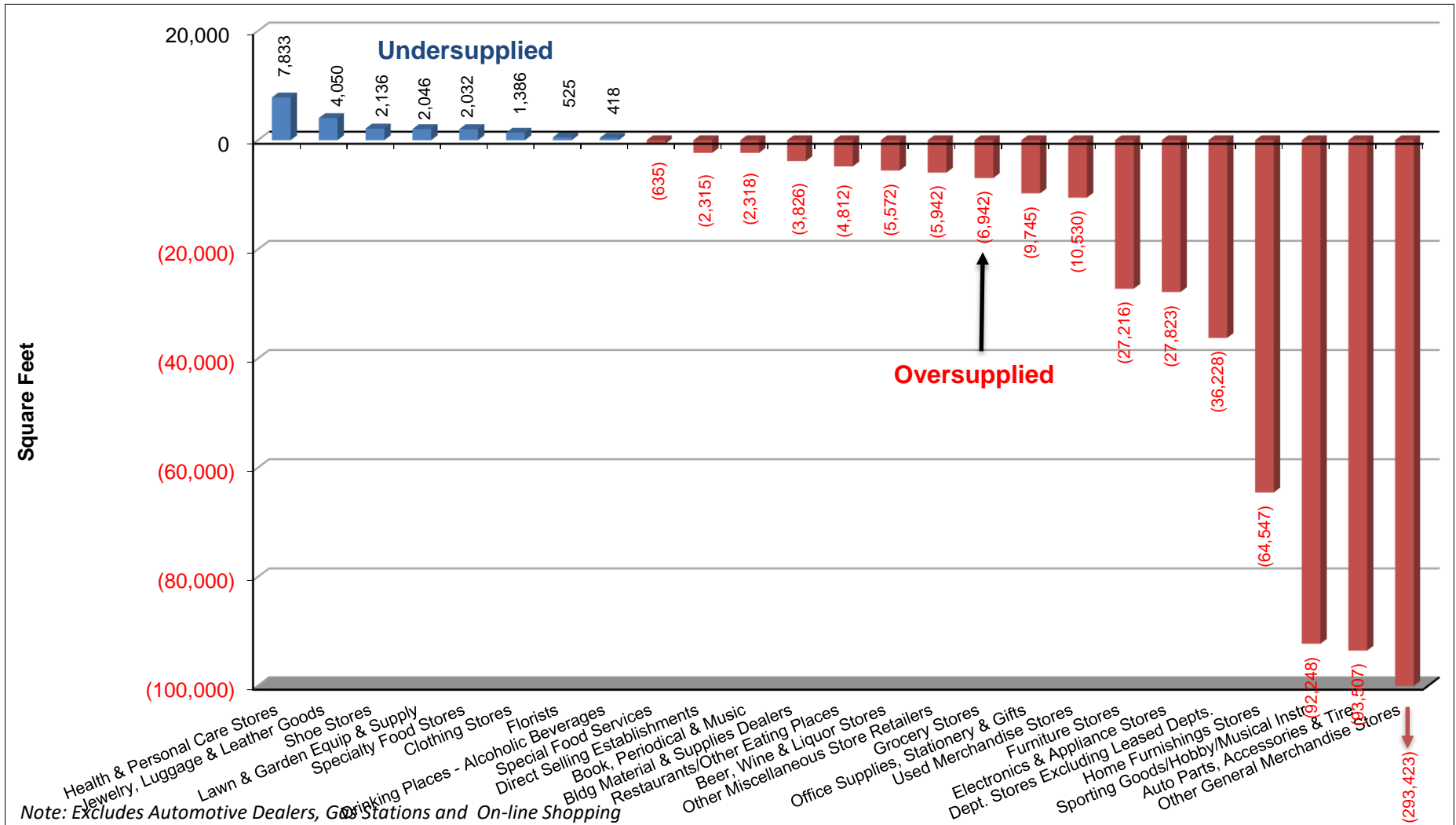
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 1 MILE RADIUS (2025)

Retail Demand Analysis



By 2025, additional demand from household growth in the 1-mile radius increases slightly, but growth is not significant enough to support additional retail anchors over 20,000 square feet. It is important to note that the Grocery Store subcategory remains oversupplied by 2025.



Note: Excludes Automotive Dealers, Gas Stations and On-line Shopping

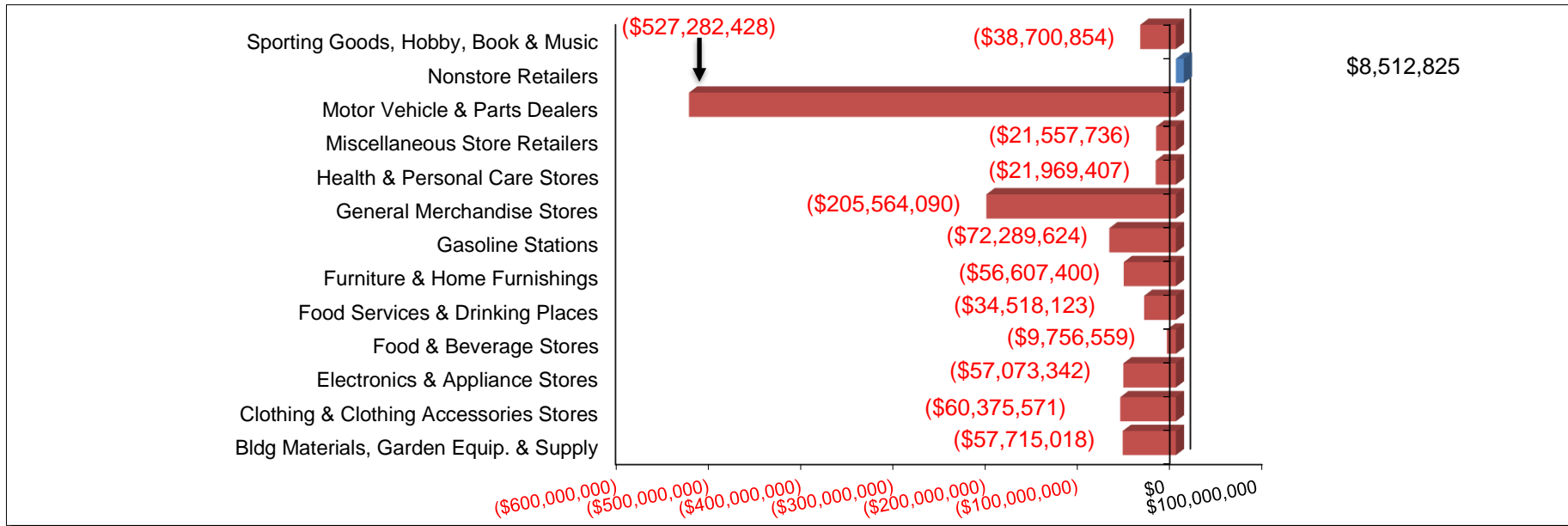
Source: ESRI; Meyers Research

OPPORTUNITY TO CAPTURE RETAIL SALES BY SEGMENT – 2 MILE RADIUS

Retail Demand Analysis



The category with the most undersupply is in the Motor Vehicles and General Merchandise categories. In the 2-mile radius model, there is an oversupply in every major retail category, particularly in the General Merchandise and Motor Vehicle categories.



| Retail Categories | DEMAND | | SUPPLY | | LEAKAGE | |
|--|---------------------------------------|--|---------------------------------|--|--------------------------|----------------|
| | Retail Expenditures by Area Residents | | Retail Spending Within the Area | | Difference \$ | Difference % |
| Bldg Materials, Garden Equip. & Supply | \$25,632,074 | | \$83,347,092 | | (\$57,715,018) | -225.2% |
| Clothing & Clothing Accessories Stores | \$32,747,334 | | \$93,122,905 | | (\$60,375,571) | -184.4% |
| Electronics & Appliance Stores | \$16,537,850 | | \$73,611,192 | | (\$57,073,342) | -345.1% |
| Food & Beverage Stores | \$74,818,847 | | \$84,575,406 | | (\$9,756,559) | -13.0% |
| Food Services & Drinking Places | \$49,591,891 | | \$84,110,014 | | (\$34,518,123) | -69.6% |
| Furniture & Home Furnishings | \$16,482,484 | | \$73,089,884 | | (\$56,607,400) | -343.4% |
| Gasoline Stations | \$41,514,622 | | \$113,804,246 | | (\$72,289,624) | -174.1% |
| General Merchandise Stores | \$76,967,665 | | \$282,531,755 | | (\$205,564,090) | -267.1% |
| Health & Personal Care Stores | \$30,722,800 | | \$52,692,207 | | (\$21,969,407) | -71.5% |
| Miscellaneous Store Retailers | \$16,629,893 | | \$38,187,629 | | (\$21,557,736) | -129.6% |
| Motor Vehicle & Parts Dealers | \$93,798,297 | | \$621,080,725 | | (\$527,282,428) | -562.1% |
| Nonstore Retailers | \$13,006,567 | | \$4,493,742 | | \$8,512,825 | 65.5% |
| Sporting Goods, Hobby, Book & Music | \$14,516,683 | | \$53,217,537 | | (\$38,700,854) | -266.6% |
| Total | \$502,967,007 | | \$1,657,864,334 | | (\$1,154,897,327) | -229.6% |

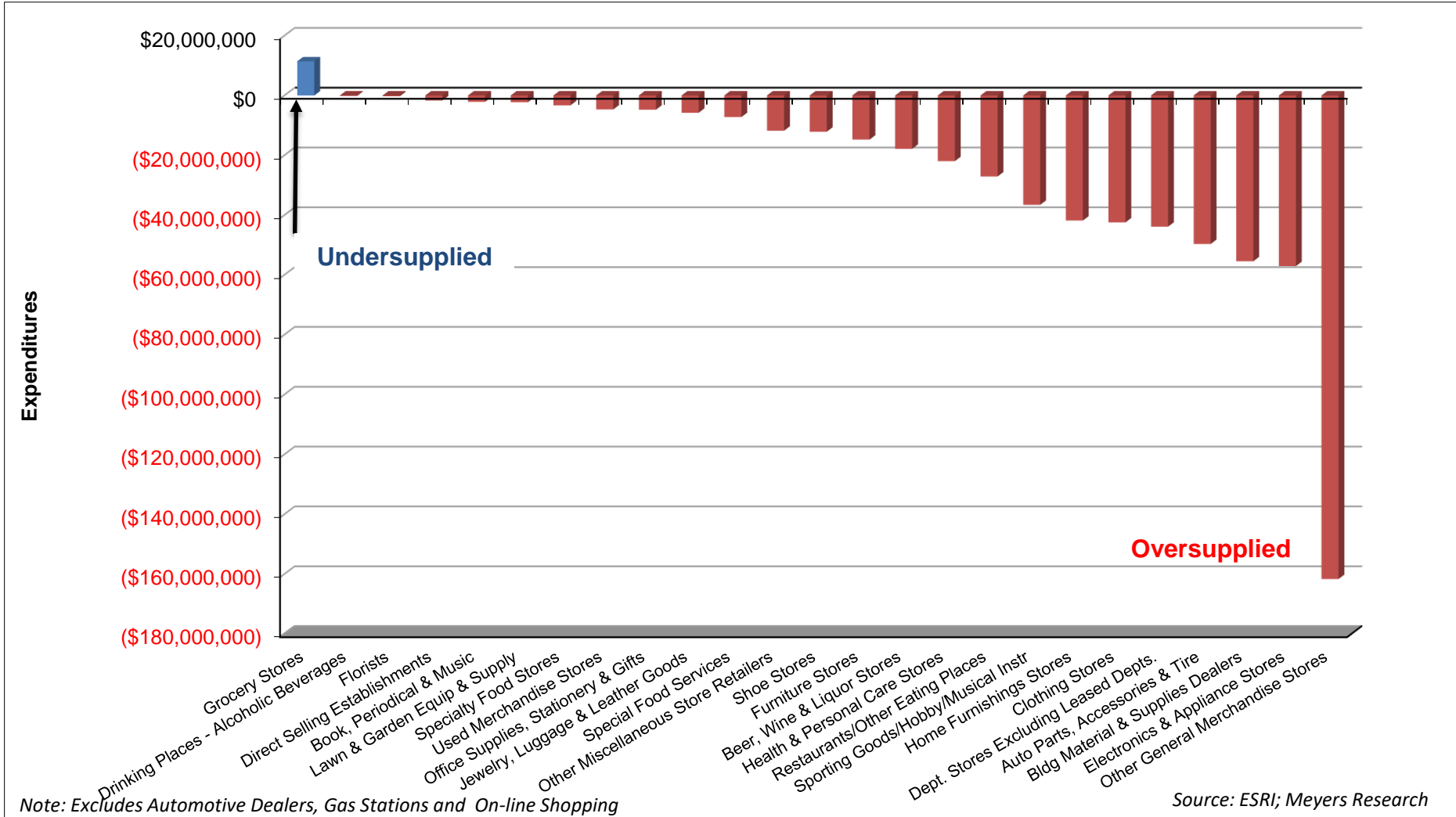
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE EXPENDITURES BY RETAIL TYPE – 2 MILE RADIUS

Retail Demand Analysis



The chart below expands on the previous over- and under-supplied retail segments by looking at detailed retail categories in the 2-mile radius. Every retail subcategory is oversupplied in the two mile radius, most notably in the Other General Merchandise and Electronics subcategories. The Grocery Store subcategory is undersupplied in the two-mile radius.



Note: Excludes Automotive Dealers, Gas Stations and On-line Shopping

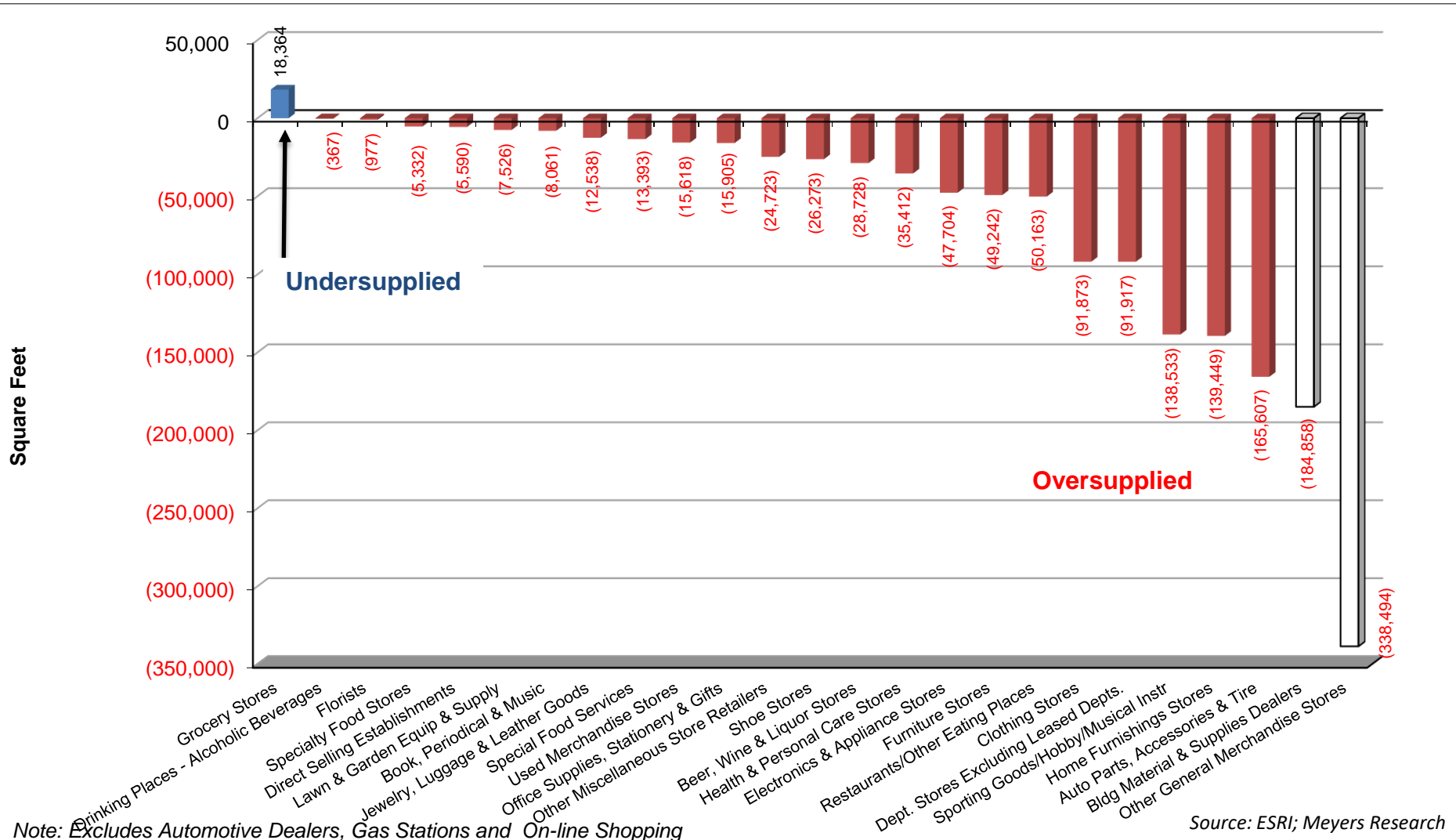
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 2 MILE RADIUS

Retail Demand Analysis



The chart below translates the over- and under-supplied retail categories' revenues into supportable square feet in the 2-mile radius area. Similarly to the previous chart, nearly every retail subcategory is oversupplied in the two mile radius, most notably in the Other General Merchandise and Building Material subcategories. The Grocery Store subcategory is undersupplied in the two-mile radius.

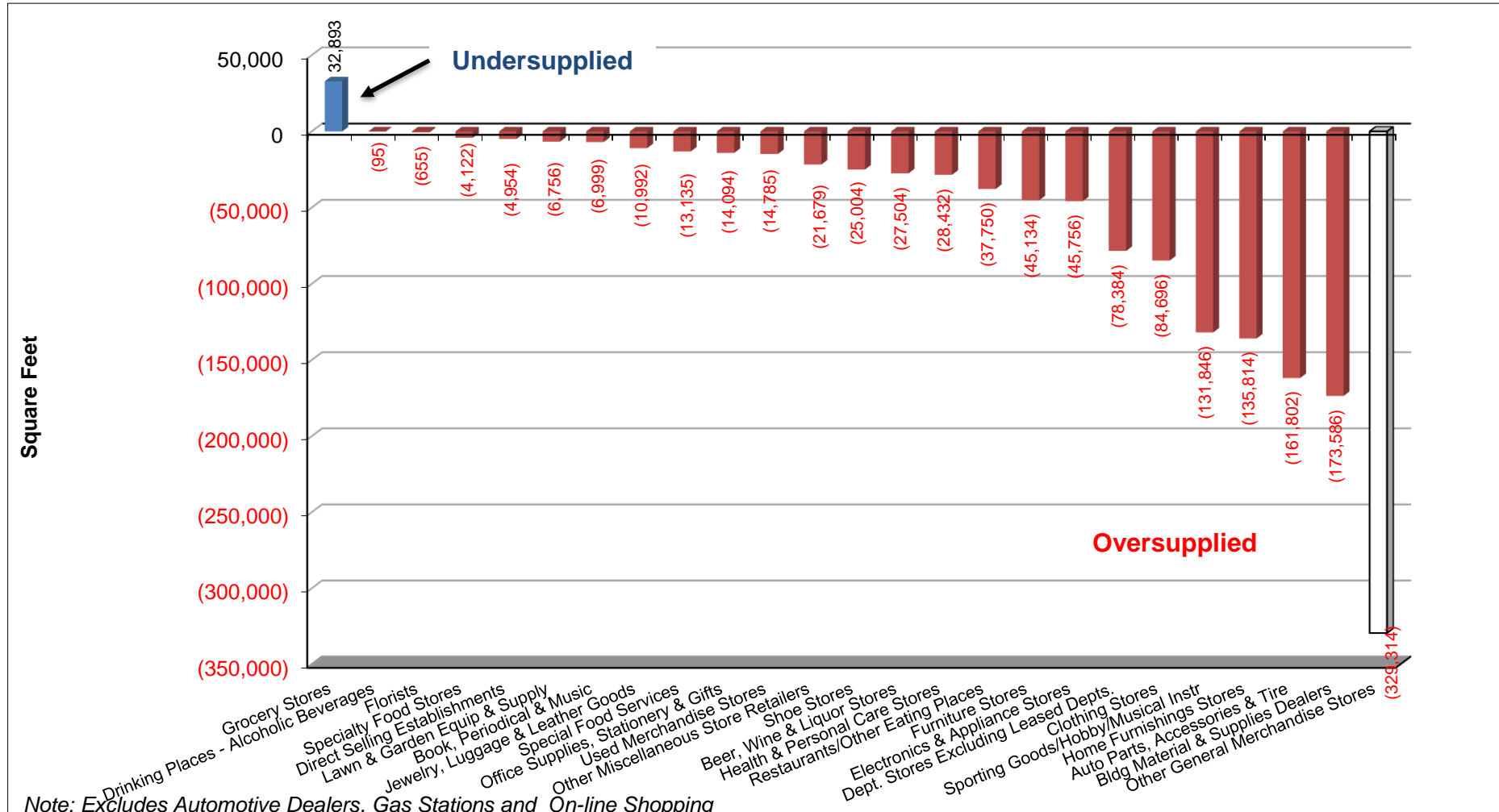


ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 2 MILE RADIUS (2025)

Retail Demand Analysis



By 2025, additional demand from household growth in the 2-mile radius increases slightly, though 25 out of 26 subcategories are oversupplied. The Grocery Store subcategory is undersupplied in the two-mile radius by 2025.



Note: Excludes Automotive Dealers, Gas Stations and On-line Shopping

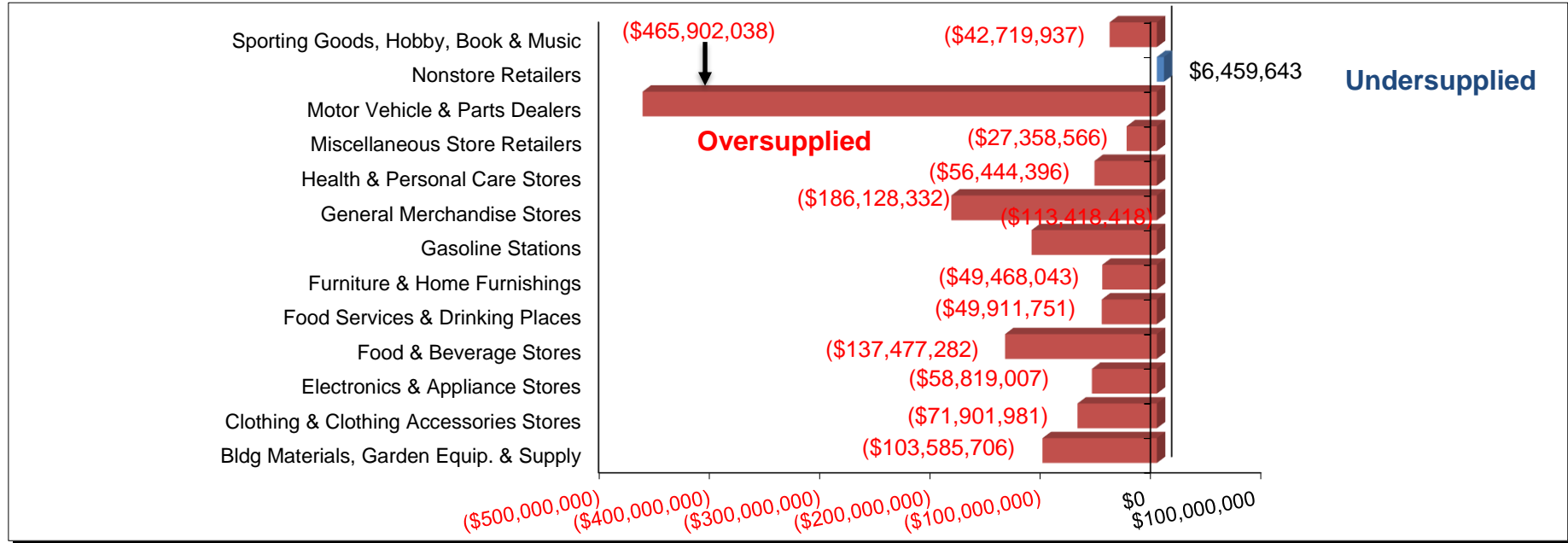
Source: ESRI; Meyers Research

OPPORTUNITY TO CAPTURE RETAIL SALES BY SEGMENT – 3 MILE RADIUS

Retail Demand Analysis



Nearly every major retail category is oversupplied in the 3-mile radius. In this model, there is an oversupply in the Motor Vehicle, General Merchandise, and Food & Beverage categories in particular.



| Retail Categories | DEMAND | | SUPPLY | | LEAKAGE | |
|--|---------------------------------------|---------------------------------|--------------------------|----------------|---------|--|
| | Retail Expenditures by Area Residents | Retail Spending Within the Area | Difference \$ | Difference % | | |
| Bldg Materials, Garden Equip. & Supply | \$61,642,321 | \$165,228,027 | (\$103,585,706) | -168.0% | | |
| Clothing & Clothing Accessories Stores | \$77,443,325 | \$149,345,306 | (\$71,901,981) | -92.8% | | |
| Electronics & Appliance Stores | \$39,253,011 | \$98,072,018 | (\$58,819,007) | -149.8% | | |
| Food & Beverage Stores | \$175,650,145 | \$313,127,427 | (\$137,477,282) | -78.3% | | |
| Food Services & Drinking Places | \$117,114,669 | \$167,026,420 | (\$49,911,751) | -42.6% | | |
| Furniture & Home Furnishings | \$39,214,334 | \$88,682,377 | (\$49,468,043) | -126.1% | | |
| Gasoline Stations | \$96,227,062 | \$209,645,480 | (\$113,418,418) | -117.9% | | |
| General Merchandise Stores | \$180,589,053 | \$366,717,385 | (\$186,128,332) | -103.1% | | |
| Health & Personal Care Stores | \$73,447,224 | \$129,891,620 | (\$56,444,396) | -76.9% | | |
| Miscellaneous Store Retailers | \$39,564,486 | \$66,923,052 | (\$27,358,566) | -69.1% | | |
| Motor Vehicle & Parts Dealers | \$220,555,603 | \$686,457,641 | (\$465,902,038) | -211.2% | | |
| Nonstore Retailers | \$31,256,796 | \$24,797,153 | \$6,459,643 | 20.7% | | |
| Sporting Goods, Hobby, Book & Music | \$34,136,261 | \$76,856,198 | (\$42,719,937) | -125.1% | | |
| Total | \$1,186,094,290 | \$2,542,770,104 | (\$1,356,675,814) | -114.4% | | |

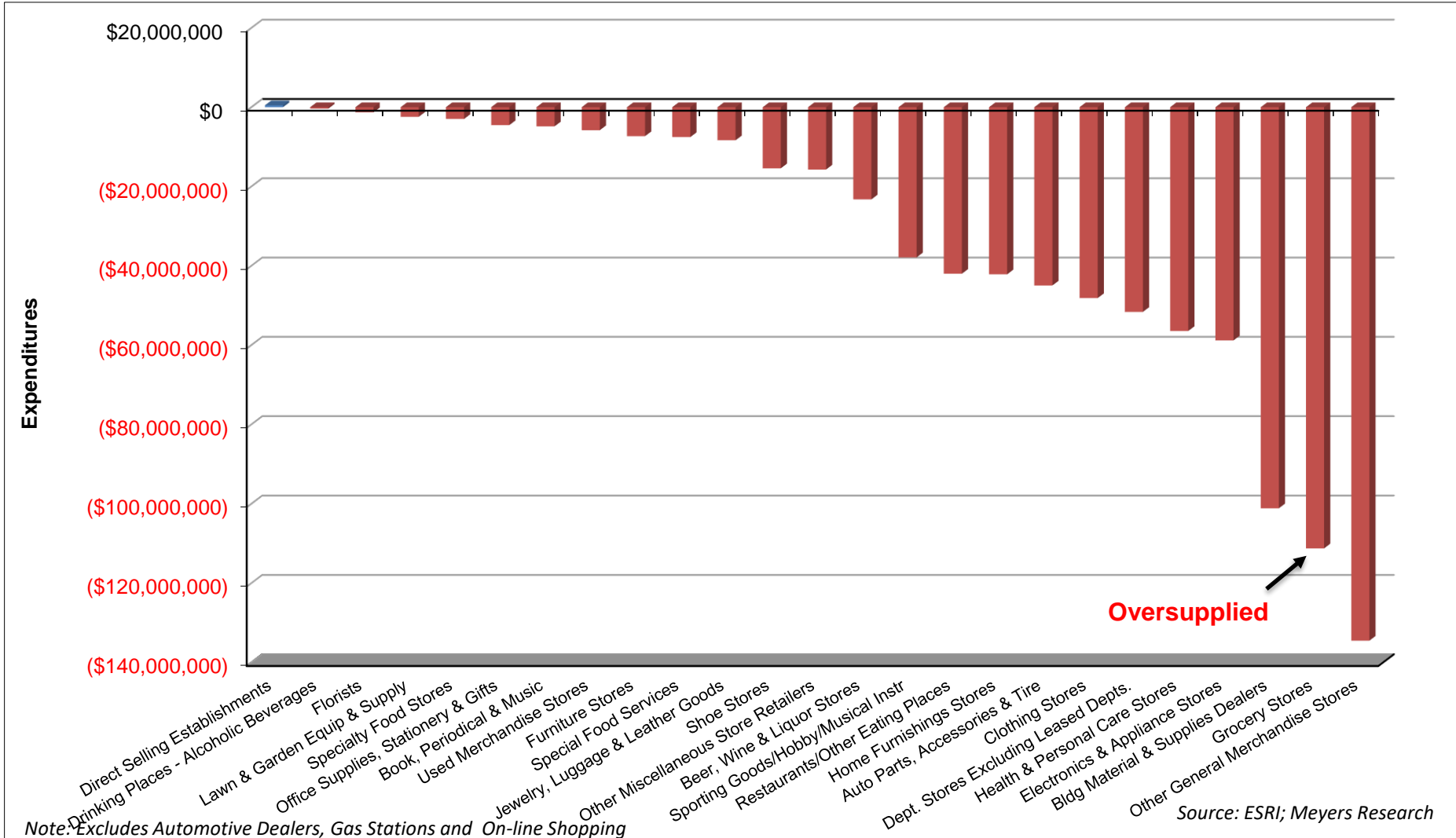
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE EXPENDITURES BY RETAIL TYPE – 3 MILE RADIUS

Retail Demand Analysis



The chart below expands on the previous over- and under-supplied retail segments by looking at detailed retail subcategories in the 3-mile radius. Nearly every retail subcategory is oversupplied in the three mile radius, most notably in the Other General Merchandise, Grocery, and Building Material subcategories.

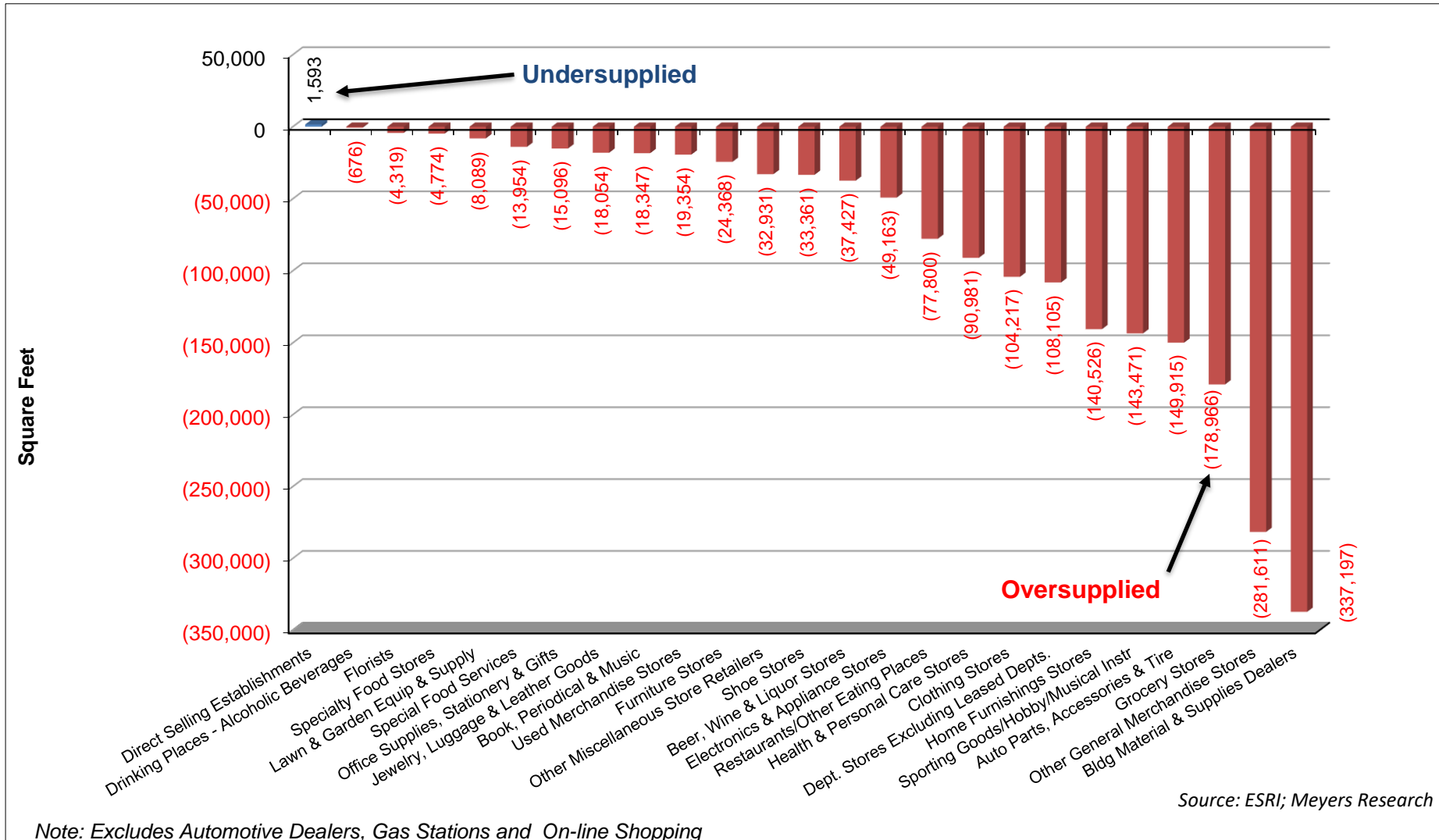


ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 3 MILE RADIUS

Retail Demand Analysis



The chart below translates the over and under-supplied retail categories' revenues into supportable square feet in the 3-mile radius area. Similarly to the previous chart, nearly every retail subcategory is oversupplied in the three mile radius, most notably in the Building Material, Other General Merchandise and Grocery subcategories.



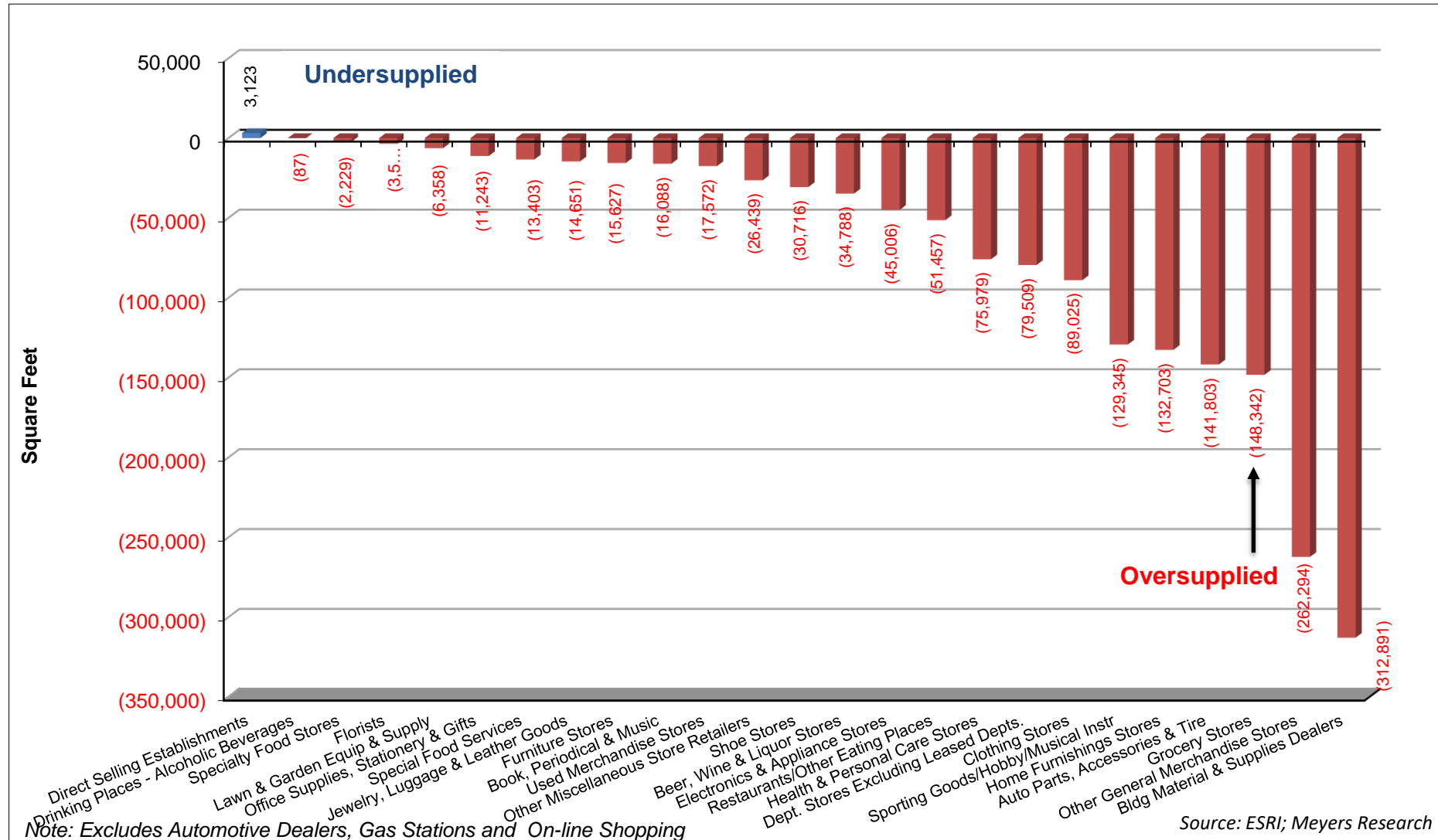
Source: ESRI; Meyers Research

ADDITIONAL SUPPORTABLE SQUARE FEET BY RETAIL TYPE – 3 MILE RADIUS (2025)

Retail Demand Analysis



By 2025, additional demand from household growth in the 3-mile radius increases slightly, but growth is not significant enough to support additional retail anchors over 20,000 square feet. It is important to note that the Grocery Store subcategory is the third most oversupplied subcategory.

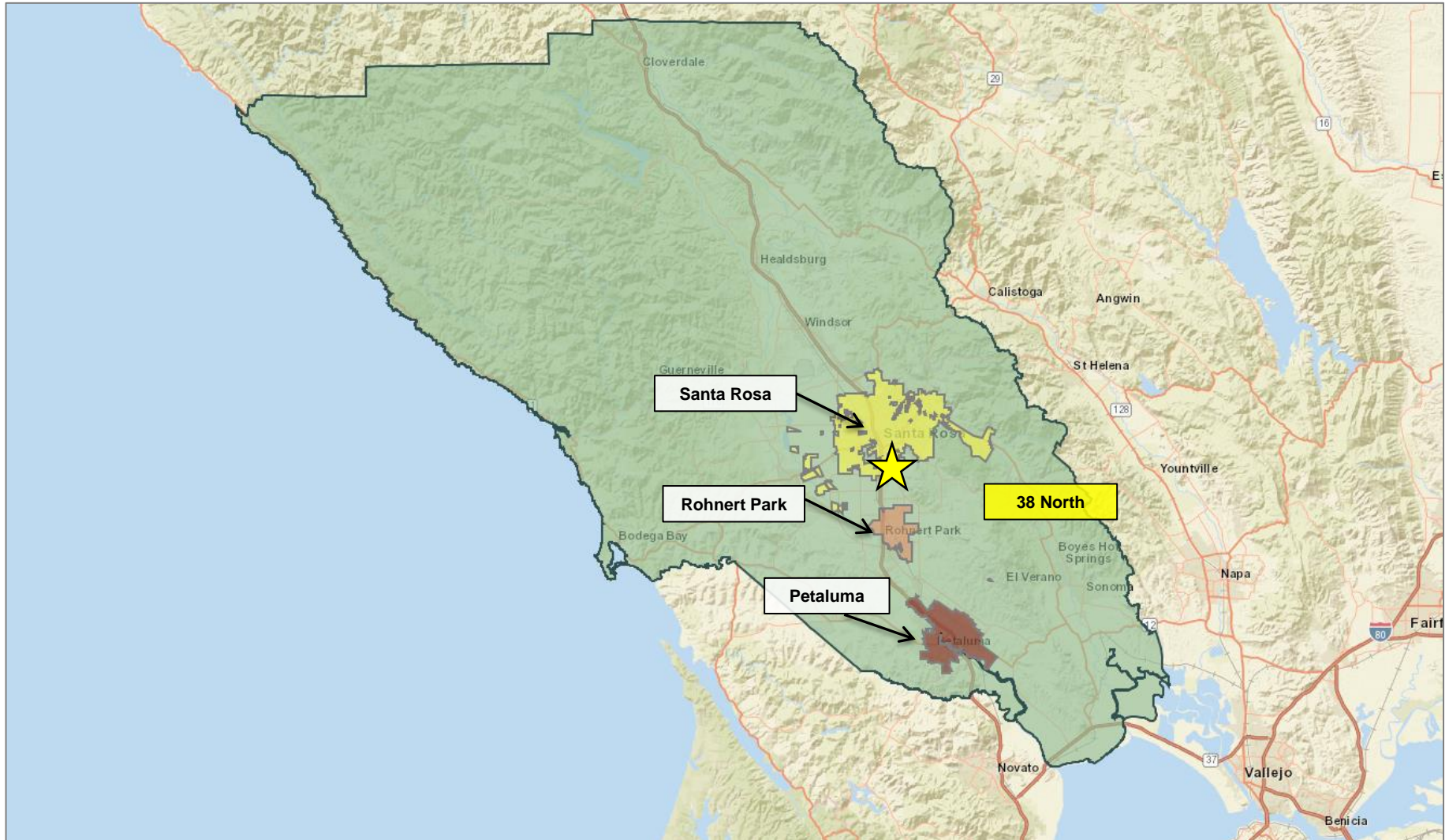


Source: ESRI; Meyers Research

Retail Market Trends

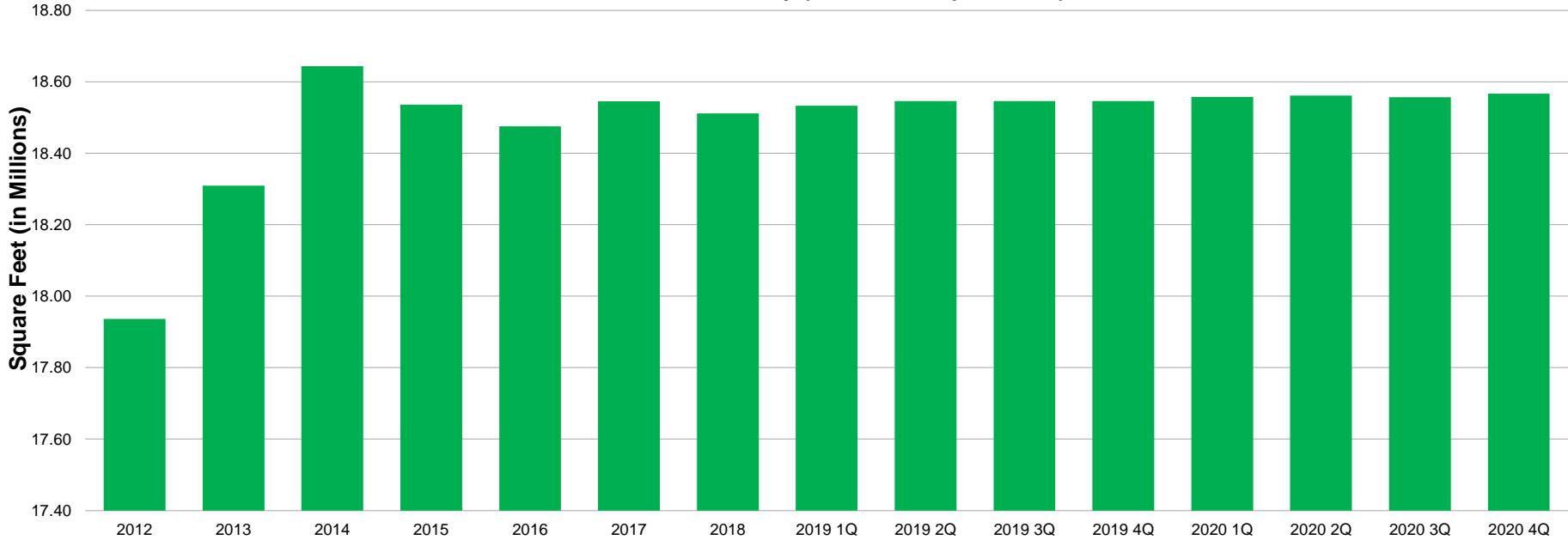
38 North, Santa Rosa, California (2021 Update)

Sonoma County and the city of Santa Rosa offer some insight into local retail market trends. 38 North is located in the Santa Rosa submarket, and retail data includes the Petaluma and Rohnert Park submarkets, as well as “other” areas of Sonoma County. Reliable market trend data is limited in Santa Rosa, so we considered the market trend data available as well as performance in local shopping centers and commercial broker feedback.



Sonoma County has experienced limited change in retail inventory over the past four years, with just over 18.5 million square feet of space. The majority of retail inventory increase took place in 2013/ 2014 and is likely attributable to additions of anchor retailers such as Target at Coddington Mall specifically.

Retail Inventory (in Millions Square Feet)



| Inventory | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 1Q | 2019 2Q | 2019 3Q | 2019 4Q | 2020 1Q | 2020 2Q | 2020 3Q | 2020 4Q |
|----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total Inventory (SF) | 17,936,206 | 18,308,827 | 18,643,511 | 18,535,876 | 18,475,373 | 18,545,377 | 18,511,221 | 18,532,579 | 18,545,762 | 18,545,762 | 18,545,762 | 18,557,383 | 18,561,342 | 18,557,026 | 18,567,088 |
| Inventory Change | -- | 372,621 | 334,684 | -107,635 | -60,503 | 70,004 | -34,156 | 21,358 | 13,183 | 0 | 0 | 11,621 | 3,959 | -4,316 | 10,062 |
| % Change | -- | 2.1% | 1.8% | -0.6% | -0.3% | 0.4% | -0.2% | 0.1% | 0.1% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.1% |

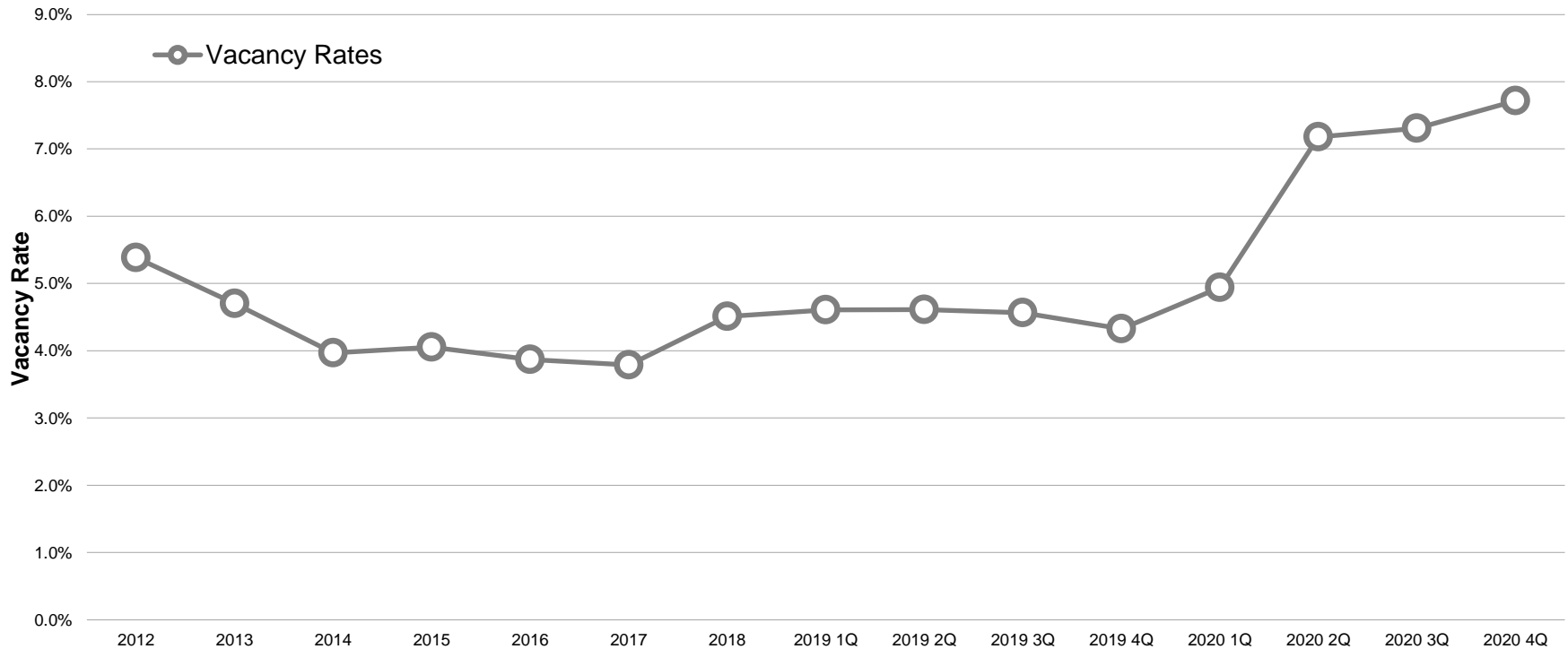
Source: Keegan & Coppin

SONOMA COUNTY VACANCY IS STABLE

Retail Market Trends



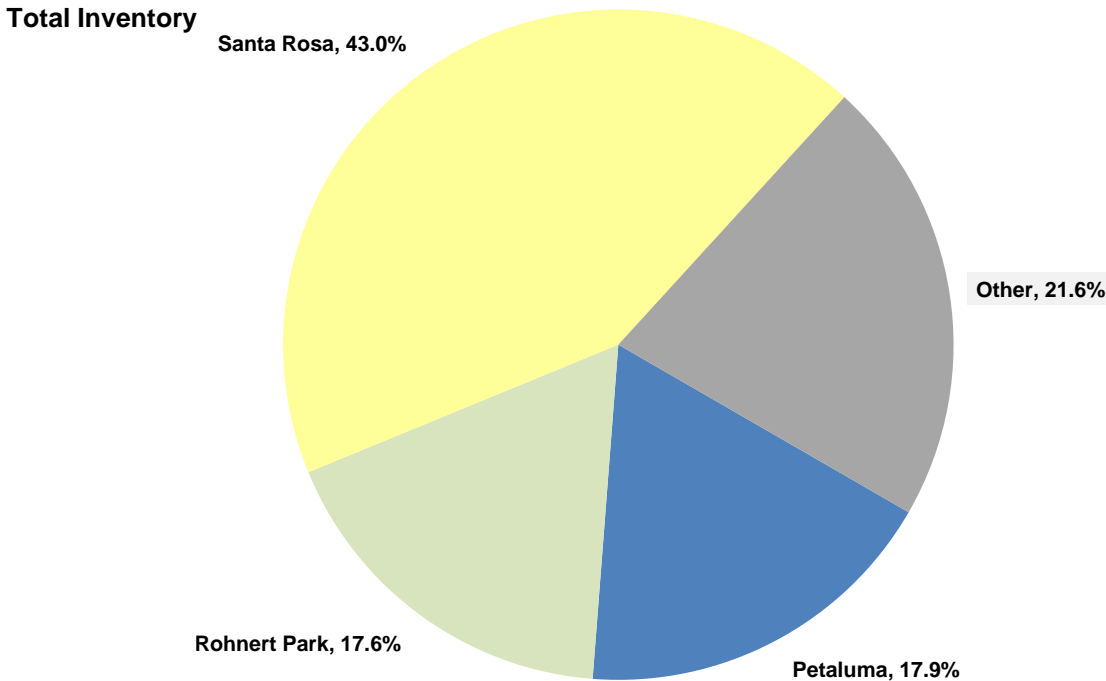
The vacancy rate has increased from 4.9% one year ago to 7.7% in Q4 2020, the highest level on record. Retail vacancy rates of over 5.0% generally indicate an oversupplied retail market, while vacancy rates under 3% indicate a supply constrained market. The increase in vacancy rate is partially due to the negative impact on retail during the COVID-19 pandemic, as well as other factors that were in process prior to COVID, such as the shift to online retail in many retail categories.



| Vacancy Rates | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 1Q | 2019 2Q | 2019 3Q | 2019 4Q | 2020 1Q | 2020 2Q | 2020 3Q | 2020 4Q |
|------------------|------|--------|--------|-------|--------|--------|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| Vacancy Rate | 5.4% | 4.7% | 4.0% | 4.1% | 3.9% | 3.8% | 4.5% | 4.6% | 4.6% | 4.6% | 4.3% | 4.9% | 7.2% | 7.3% | 7.7% |
| Vac. Rate Change | -- | -0.68% | -0.73% | 0.09% | -0.19% | -0.08% | 0.72% | 0.10% | 0.00% | -0.04% | -0.24% | 0.62% | 2.24% | 0.13% | 0.41% |
| % Change | -- | -12.7% | -15.6% | 2.2% | -4.6% | -2.0% | 19.0% | 2.2% | 0.1% | -1.0% | -5.3% | 14.2% | 45.3% | 1.8% | 5.6% |

Source: Keegan & Coppin

The Santa Rosa submarket comprises a 43.0% share of the Sonoma County Retail Market, and the submarket conditions are generally similar to the overall MSA in terms of vacancy rate. Keegan & Coppin data reports there are 290,000 square feet of “planned” retail space in Santa Rosa, though brokers could not cite any specific retail projects under development currently.



| Submarket | Total SF | Vacant SF | Vacancy Rate | Planned (SF) |
|-------------------|-------------------|------------------|--------------|----------------|
| Petaluma | 3,321,438 | 332,987 | 10.0% | 9,345 |
| Rohnert Park | 3,261,388 | 218,229 | 6.7% | 145,000 |
| Santa Rosa | 7,982,349 | 672,729 | 8.4% | 90,000 |
| Other | 4,001,913 | 208,701 | 5.2% | 46,400 |
| TOTAL: | 18,567,088 | 1,432,646 | 7.7% | 290,745 |

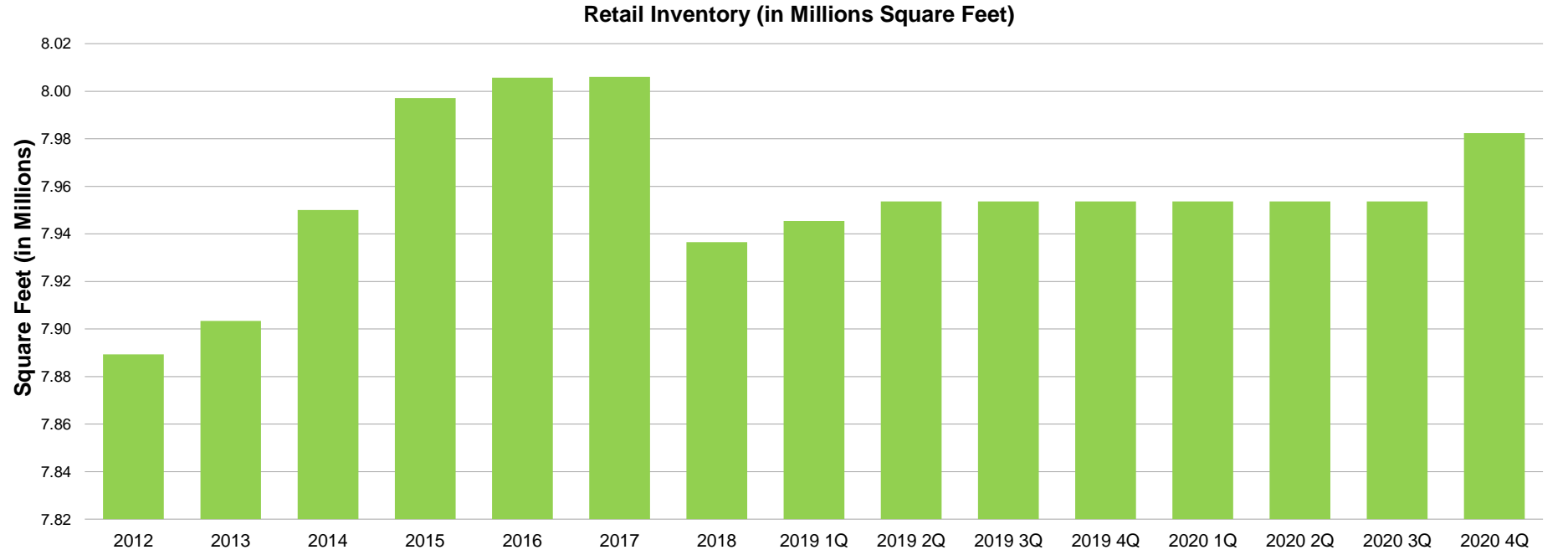
Source: Keegan & Coppin

SANTA ROSA RETAIL INVENTORY IS SLOWLY INCREASING

Retail Market Trends



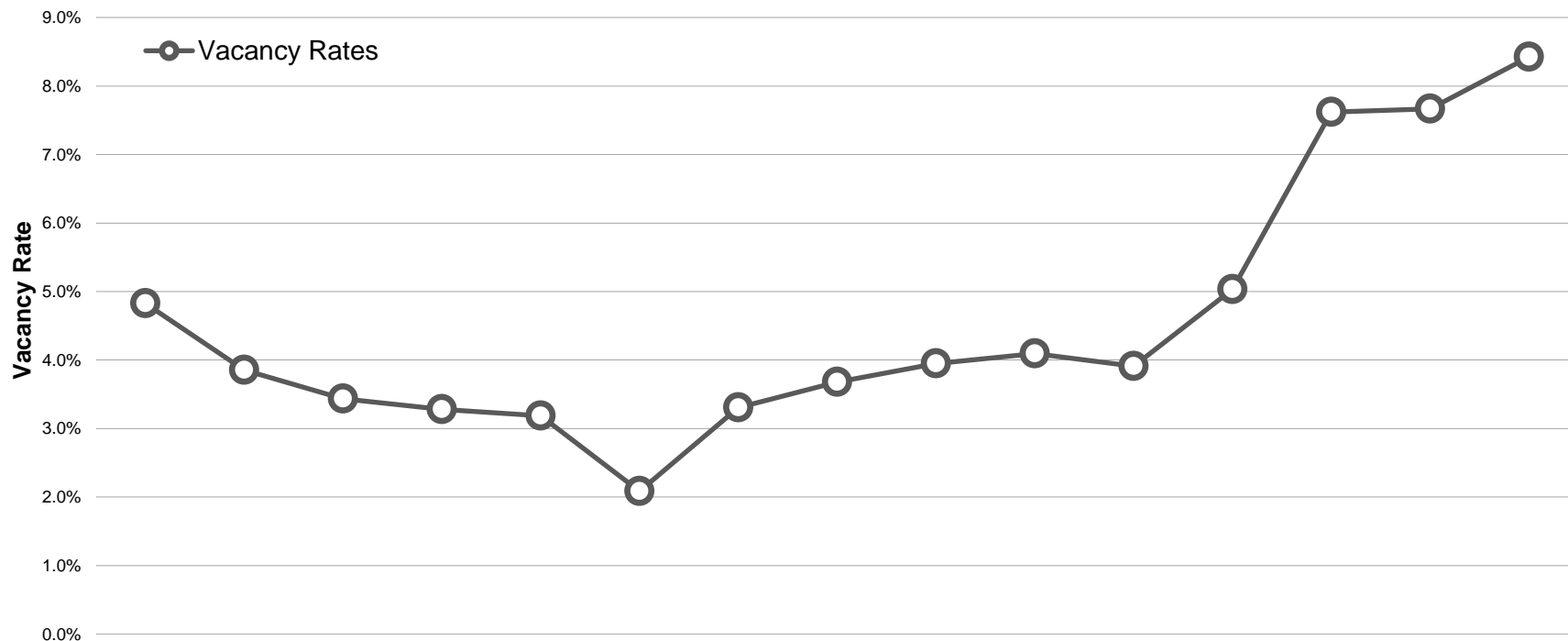
Santa Rosa has experienced marginal retail inventory growth over the past five years, though inventory increased by 28,700 square feet in 4Q 2020.



| Inventory | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 1Q | 2019 2Q | 2019 3Q | 2019 4Q | 2020 1Q | 2020 2Q | 2020 3Q | 2020 4Q |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Inventory (SF) | 7,889,377 | 7,903,377 | 7,950,009 | 7,997,090 | 8,005,690 | 8,006,042 | 7,936,508 | 7,945,466 | 7,953,649 | 7,953,649 | 7,953,649 | 7,953,649 | 7,953,649 | 7,953,649 | 7,982,349 |
| Inventory Change | -- | 14,000 | 46,632 | 47,081 | 8,600 | 352 | -69,534 | 8,958 | 8,183 | 0 | 0 | 0 | 0 | 0 | 28,700 |
| % Change | -- | 0.2% | 0.6% | 0.6% | 0.1% | 0.0% | -0.9% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.4% |

Source: Keegan & Coppin

The Santa Rosa vacancy rate increased significantly over the past four years, from a low of 2.1% in 2017 to 8.4% in Q4 2020, the highest level on record. The increase in vacancy rate is partially due to the negative impact on retail during the COVID-19 pandemic, as well as other factors that were in process prior to COVID, such as the shift to online retail in many retail categories.



| Vacancy Rates | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 1Q | 2019 2Q | 2019 3Q | 2019 4Q | 2020 1Q | 2020 2Q | 2020 3Q | 2020 4Q |
|------------------|------|--------|--------|--------|--------|--------|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| Vacancy Rate | 4.8% | 3.9% | 3.4% | 3.3% | 3.2% | 2.1% | 3.3% | 3.7% | 3.9% | 4.1% | 3.9% | 5.0% | 7.6% | 7.7% | 8.4% |
| Vac. Rate Change | -- | -0.97% | -0.42% | -0.15% | -0.10% | -1.10% | 1.22% | 0.37% | 0.27% | 0.14% | -0.18% | 1.12% | 2.59% | 0.05% | 0.76% |
| % Change | -- | -20.2% | -10.9% | -4.4% | -2.9% | -34.5% | 58.5% | 11.3% | 7.3% | 3.7% | -4.5% | 28.7% | 51.5% | 0.6% | 9.9% |

Source: Keegan & Coppin

Appendix

38 North, Santa Rosa, California (2021 Update)

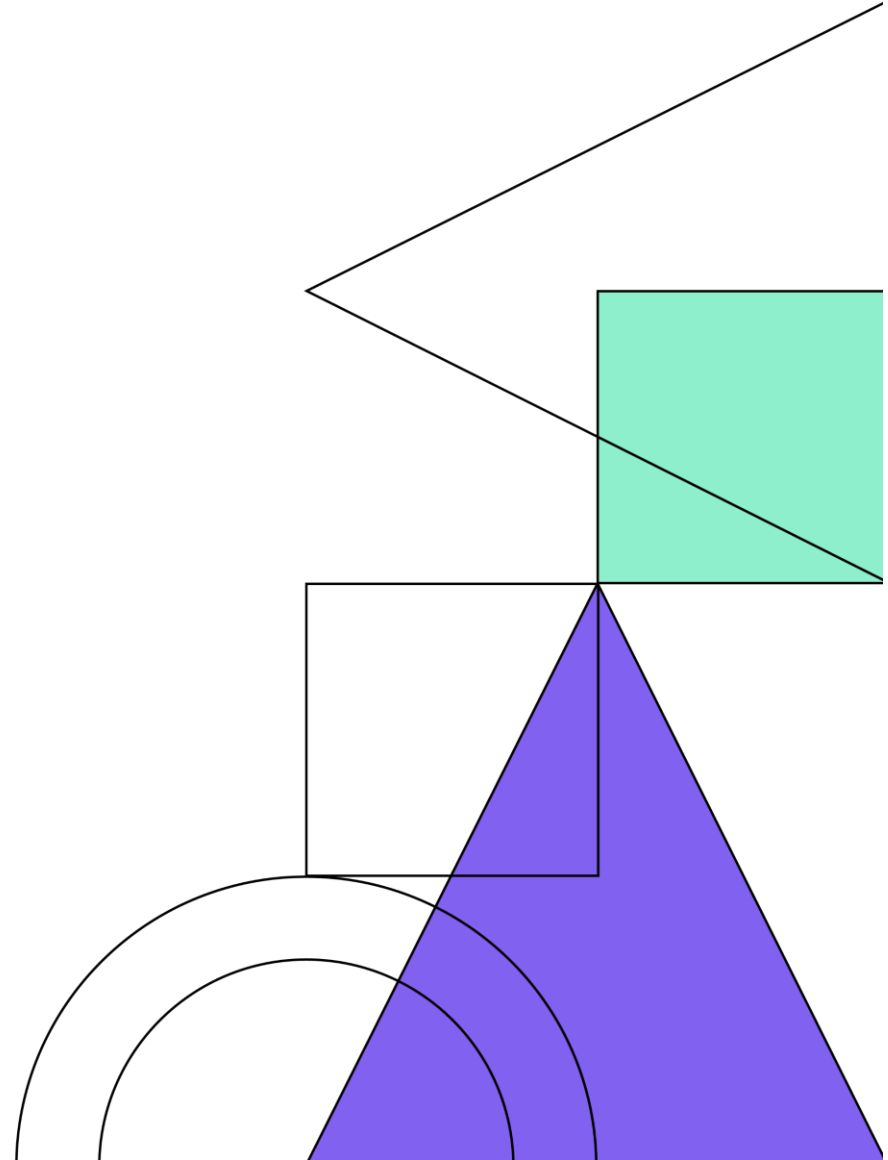
Thank you!

Zonda

3200 Bristol Street, Suite 640

Costa Mesa, CA 92626

(877) 966-3210



APPENDIX E –
**NEW DEVELOPMENT
CHECKLIST**

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APPENDIX E: CAP NEW DEVELOPMENT CHECKLIST

To ensure new development projects are compliant with the City’s Climate Action Plan, the following checklist has been developed. This checklist should be filled out for each new project, subject to discretionary review, to allow new development to find a less than significant impact for greenhouse gas emissions in the environmental review process.

| # | Description | Compliance | | | |
|-------|--|------------|-----------------|-----|----------------|
| | | Complies | Does Not Comply | N/A | See Discussion |
| 1.1.1 | Comply with CALGreen Tier 1 standards* | X | | | |
| 1.1.3 | After 2020, all new development will utilize zero net electricity* | | | | X |
| 1.3.1 | Install real-time energy monitors to track energy use* | X | | | |
| 1.4.2 | Comply with the City's tree preservation ordinance* | X | | | |
| 1.4.3 | Provide public & private trees in compliance with the Zoning Code* | X | | | |
| 1.5 | Install new sidewalks and paving with high solar reflectivity materials* | X | | | |
| 2.1.3 | Pre-wire and pre-plumb for solar thermal or PV systems | X | | | X |
| 3.1.2 | Support implementation of station plans and corridor plans | | | X | X |
| 3.2.1 | Provide on-site services such as ATMs or dry cleaning to site users | | | X | X |
| 3.2.2 | Improve non-vehicular network to promote walking, biking | X | | | |
| 3.2.3 | Support mixed-use, higher-density development near services | X | | | |
| 3.3.1 | Provide affordable housing near transit | | | | X |
| 3.5.1 | Unbundle parking from property cost | X | | | X |
| 3.6.1 | Install calming features to improve ped/bike experience | X | | | X |
| 4.1.1 | Implement the Bicycle and Pedestrian Master Plan | X | | | X |
| 4.1.2 | Install bicycle parking consistent with regulations* | X | | | X |
| 4.1.3 | Provide bicycle safety training to residents, employees, motorists | | | X | X |
| 4.2.2 | Provide safe spaces to wait for bus arrival | X | | | X |
| | | | | | |

| # | Description | Compliance | | | |
|-------|---|------------|-----------------|-----|----------------|
| | | Complies | Does Not Comply | N/A | See Discussion |
| 4.3.2 | Work with large employers to provide rideshare programs | | | X | X |
| 4.3.3 | Consider expanding employee programs promoting transit use | | | X | X |
| 4.3.4 | Provide awards for employee use of alternative commute options | | | X | X |
| 4.3.5 | Encourage new employers of 50+ to provide subsidized transit passes* | | | X | X |
| 4.3.7 | Provide space for additional park-and-ride lots | | | X | X |
| 4.5.1 | Include facilities for employees that promote telecommuting | X | | | X |
| 5.1.2 | Install electric vehicle charging equipment | | | X | X |
| 5.2.1 | Provide alternative fuels at new refueling stations* | | | X | X |
| 6.1.3 | Increase diversion of construction waste* | X | | | |
| 7.1.1 | Reduce potable water use for outdoor landscaping* | X | | | |
| 7.1.3 | Use water meters which track real-time water use* | X | | | |
| 7.3.2 | Meet on-site meter separation requirements in locations with current or future recycled water capabilities* | | | X | X |
| 8.1.3 | Establish community gardens and urban farms | X | | | X |
| 9.1.2 | Provide outdoor electrical outlets for charging lawn equipment | X | | | X |
| 9.1.3 | Install low water use landscapes* | X | | | |
| 9.2.1 | Minimize construction equipment idling time to 5 minutes or less* | X | | | X |
| 9.2.2 | Maintain construction equipment per manufacturer's specs* | X | | | X |
| 9.2.3 | Limit GHG construction equipment emissions by using electrified equipment or alternative fuels* | X | | | X |

**To be in compliance with the CAP, all measures denoted with an asterisk are required in all new development projects unless otherwise specified. If a project cannot meet one or more of the mandatory requirements, substitutions may be made from other measures listed at the discretion of the Community Development Director.*

DISCUSSION (PLEASE LIST POLICY #)

- 1.1.3 - The proposed project will comply with CalGreen and California Energy codes in effect at the time of building permit application submittal.
- 2.1.3 - project will include pre-wiring for solar PV on building roofs.
- 3.1.2 - not applicable to project as it is outside the downtown area.
- 3.2.1 - the project does not propose atms or dry cleaning as it is strictly a residential project.
- 3.3.1 - the project proposes market rate rental housing near transit but no units proposed are income restricted affordable units.
- 3.5.1 - property management is required to provide 1 space per unit per Santa Rosa City Code. Additional parking will be charged for to encourage fewer vehicles per dwelling unit.
- 3.6.1 - the site plan is designed to improve and promote pedestrian and bicycle experiences.
- 4.1.1 - bike lanes along Petaluma Hill Rd. frontage supporting the City's Bicycle & Pedestrian Master Plan will be in place as required by the Phase 2 project.
- 4.1.2 - the proposed project provides the City code require bicycle parking.
- 4.1.3 - the proposed project does not have adequate infrastructure as an apartment project to provide bicycle safety training.
- 4.2.2 - the proposed project includes a bus stop with bench at the southwest corner of the site. No bus shelter is required or proposed.
- 4.3.2 - the proposed project is a residential development and not a large employer.
- 4.3.3 - the proposed project is a residential development and has very few employees, some of whom will live on site.
- 4.3.4 - see response to 4.3.3.
- 4.3.5 - not applicable given project is an apartment development. We don't have 50+ employees on-site.
- 4.3.7 - this policy does not apply to the proposed project.
- 4.5.1 - co-work space in Phase 2 clubhouse available to all residents and employees.
- 5.1.2 - code required conduit will be installed to allow for future electric charging stations.
- 5.2.1 - not applicable given project is an apartment development.
- 6.1.3 - the contractor will prepare a Construction Waste Management Plan for recycling and disposal of construction waste.
- 7.3.2 - recycled water is not available to the project site. Compliance with policies 7.1.1, 7.1.3 and 9.1.3 provided as substitute.
- 8.1.3 - the proposed project has access to the adjacent Phase 1 which has a community garden available to residents.
- 9.1.2 - outdoor outlets to be provided at Phase 2 clubhouse. Additional outlets provided inside residential building electrical closets for use by authorized employees.
- 9.2.1 - civil engineer will include notes on plan to require contractors to limit construction equipment idling time to 5 minutes or less.
- 9.2.2 - civil engineer will include notes on plan to require contractors to maintain all equipment in accordance with manufactures instructions.
- 9.2.3 - civil engineer will include notes on plan to encourage contractors to use electrified equipment or equipment that use alternative fuels.

July 14, 2021

Ms. Olivia Ervin
M-Group
1303 Jefferson Street, Suite 100 B
Napa, CA 94559

Via email: oervin@m-group.us

**Subject: 38 Degrees North, Santa Rosa, CA –
Addendum to the Noise and Vibration Assessment**

Dear Ms. Ervin:

In September 2019, *Illingworth & Rodkin, Inc.* prepared a noise and vibration assessment for the 38 Degrees North project¹ in Santa Rosa, California. This mixed-use project included 172 multi-family residential units and 20,000 square feet of commercial development. The applicant is pursuing a General Plan Amendment and Rezone to allow the development approximately 30 additional multi-family units in lieu of the 20,000 square feet of commercial space.

This addendum letter analyzes the project changes with regard to potential noise and vibration impacts at existing land uses in the project vicinity.

Noise and Land Use Compatibility

Future Exterior Noise Environment

In the original project, the commercial space was proposed in the southwestern portion of the project site. The updated site plan, which is shown in Figure 1, includes two new apartment buildings (Building 1 facing Petaluma Hill Road and Building 2 facing Farmers Lane) and surface parking spaces. The updated site plan, however, does not show any new common use outdoor areas subject to the City's exterior noise thresholds. Therefore, the proposed site plan would be compatible with the future noise environment at the project site.

Future Interior Noise Environment

Building 1 would be set back from the centerline of Petaluma Hill Road by 50 to 100 feet, similar to the previously analyzed buildings facing this roadway. At these distances, the occupants of

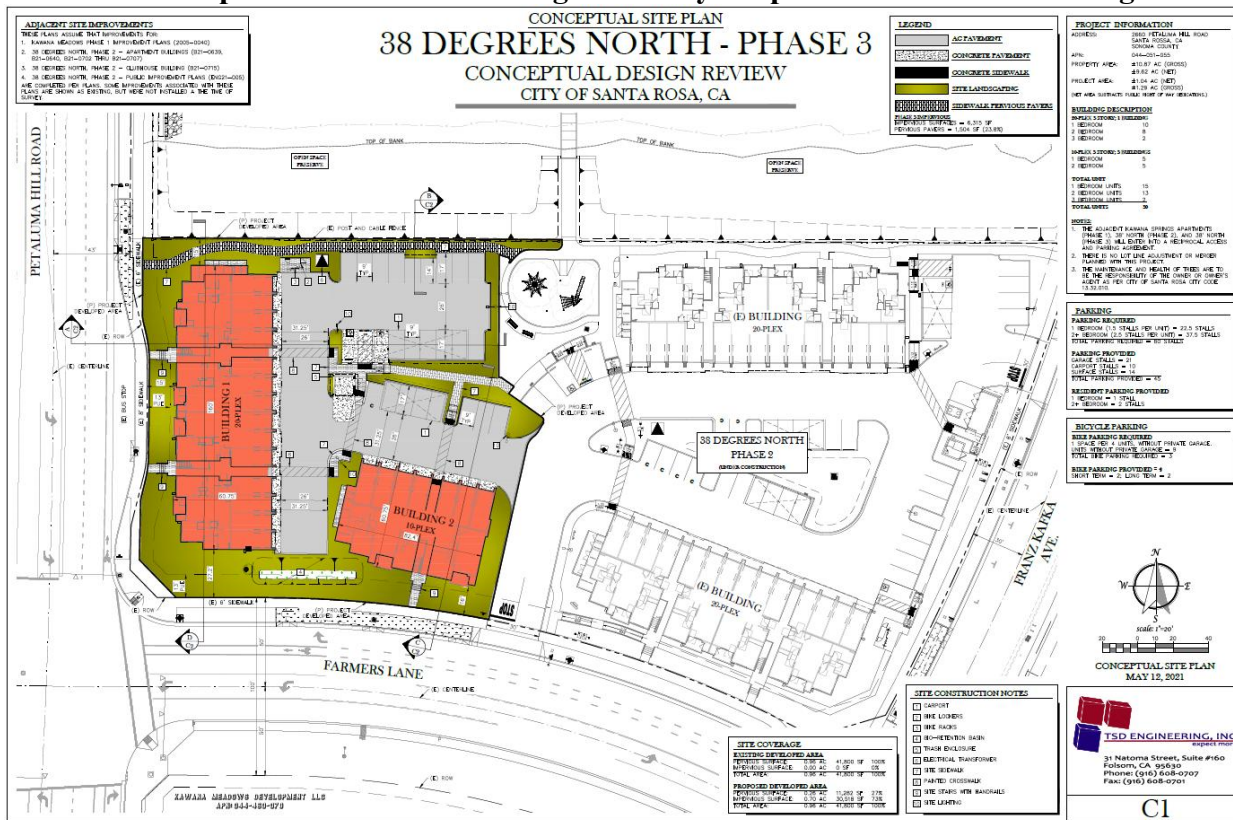
¹ Illingworth & Rodkin, Inc., "38 Degrees North Noise and Vibration Assessment," September 6, 2019.

Building 1 would be exposed to future exterior noise levels ranging from 70 to 73 dBA L_{dn}. Assuming windows to be partially open for ventilation, the future interior noise levels would range from 55 to 58 dBA L_{dn}, which would exceed the City’s interior noise threshold of 45 dBA L_{dn}.

Building 2 would be set back from the centerline of the Famers Lane extension by 65 to 120 feet. At these distances, the occupants of Building 2 would be exposed to future exterior noise levels ranging from 62 to 66 dBA L_{dn}. Assuming windows to be partially open for ventilation, the future interior noise levels would range from 47 to 51 dBA L_{dn}, which would exceed the City’s interior noise threshold of 45 dBA L_{dn}.

Implementation of Mitigation Measure LU-1 of the Mitigation Monitoring and Reporting Program for 38 Degrees North Phase 2 would adequately reduce future interior noise levels at the new residential buildings to 45 dBA L_{dn} or lower.

FIGURE 1 Updated Site Plan Showing the Newly Proposed Residential Buildings



Operational Noise

The City of Santa Rosa Municipal Code Section 17-16.030 defines ambient base noise level criteria for various land uses. For single-family residences, ambient noise levels are defined as 55 dBA L_{eq} from 7:00 a.m. to 7:00 p.m., 50 dBA L_{eq} from 7:00 p.m. to 10:00 p.m., and 45 dBA L_{eq} from 10:00 p.m. to 7:00 a.m., while for multi-family residential areas, ambient noise levels are defined as 55 dBA L_{eq} from 7:00 a.m. to 10:00 p.m. and 50 dBA L_{eq} from 10:00 p.m. to 7:00 a.m. Commercial ambient base noise levels are 60 dBA L_{eq} from 7:00 a.m. to 10:00 p.m. and 55 dBA L_{eq} from 10:00 p.m. to 7:00 a.m. The City's Municipal Code includes mechanical equipment noise thresholds for industrial land uses, which would be 75 dBA at any time.

Section 17-16.120 of the City's Municipal Code further states that mechanical equipment noise is not permitted to exceed the ambient base noise levels by more than 5 dBA. This analysis assesses all operational components of the project against these criteria.

Noise-generating activities associated with the two new residential buildings would include mechanical equipment, such as heating, ventilation, and air conditioning systems (HVAC). Detailed information on the location and specific equipment to be used were not available at the time of this analysis. Typical residential HVAC units are anticipated to generate noise levels of 53 to 63 dBA at 3 feet from the equipment, depending on the equipment selected.

Without knowing the specific locations for these units, the worst-case conditions were assumed for this analysis, which would be ground-level units located at either ends of each residential building. For multi-family residential buildings, it is typical for multiple HVAC units to operate simultaneously at any given time. Assuming up to eight units would operate simultaneously from the same relative location at the end of a building, the worst-case scenario was calculated by estimating HVAC noise levels to the property lines of the nearest existing and future residential and commercial and light industrial land uses surrounding the site. On-site receptors associated with the 38 Degrees North project are not considered receptors subject to the City's Municipal Code thresholds. Table 1 summarizes the distance to the nearest surrounding residential and commercial land uses and the calculated mechanical equipment noise at that distance.

Assuming the HVAC units run continuously during daytime and nighttime hours, the noise levels summarized in Table 1 would be compared to the City's daytime, evening, and nighttime thresholds described above. Since the City's thresholds would not be exceeded at any existing or future land use surrounding the project site, this would be a less-than-significant impact.

All other noise-generating activities, such as parking lot noise, were discussed in the noise and vibration assessment from September 2019. The parking lot size shown in Figure 1 from the two the new residential buildings would not generate new parking lot noise from the previous study. Therefore, no new noise-generating sources would be added with the addition of these residential buildings.

TABLE 1 Summary of Mechanical Equipment Noise Propagated to the Nearest Existing Residential and Commercial Land Uses Surrounding the Project Site

| Surrounding Land Use | Distance from edge of Project Building to Nearest Property Line | Estimated Mechanical Equipment Noise Level |
|--|--|---|
| Single-family residence northwest of Building 1, opposite Petaluma Hill Road | 145 feet | 28 to 38 dBA |
| Single-family residence southwest of Building 1, opposite Petaluma Hill Road | 165 feet | 27 to 37 dBA |
| Single-family residence south of Building 2, opposite Farmers Lane extension | 315 feet | 22 to 32 dBA |
| Future multi-family residences south of Building 2, opposite Farmers Lane extension | 100 feet | 32 to 42 dBA |
| Commercial and light industrial uses west of Building 1, opposite Petaluma Hill Road | 95 feet | 32 to 42 dBA |

Permanent Traffic Noise Increase

A significant permanent noise increase would occur if project-generated traffic would substantially increase noise levels at sensitive receptors in the project vicinity. A substantial increase would occur if: a) the noise level increase is 5 dBA L_{dn} or greater, with a future noise level of less than 60 dBA L_{dn} , or b) the noise level increase is 3 dBA L_{dn} or greater, with a future noise level of 60 dBA L_{dn} or greater. Future noise levels in the project vicinity would range from 60 to 75 dBA L_{dn} , as stated in the September 2019 assessment; therefore, a significant impact would occur if project-generated traffic resulted in a noise level increase of 3 dBA L_{dn} . For reference, a 3 dBA L_{dn} increase would occur if traffic volumes along a roadway would double.

An addendum to the original traffic impact study was completed in May 2021 to reflect the two new multi-family residential buildings replacing the commercial use originally included as part of the project. The new proposed residential buildings would decrease the peak hour trips in the both the AM and PM hours. The peak AM trips would reduce by 69, while the peak PM trips would reduce by 171. The original project resulted in a noise level increase of 1 dBA L_{dn} or less attributable solely to the project. With the decrease in peak hour trips, the noise level increase would be 1 dBA L_{dn} or less, consistent with the previous noise and vibration assessment completed in September 2019. This is a less-than-significant impact.

Construction Noise

The City of Santa Rosa does not define allowable construction hours in the General Plan or Municipal Code. Nor are temporary construction noise thresholds defined by the City. However, limiting construction to weekday daytime hours between 7:00 a.m. and 7:00 p.m. would reduce the disturbance to existing noise-sensitive receptors surrounding the project site. As discussed in the noise and vibration assessment from September 2019, daytime temporary construction noise

would be considered a significant impact if noise levels due to construction activities would exceed 60 dBA L_{eq} at residential land uses or exceed 70 dBA L_{eq} at commercial land uses and exceeds the ambient noise environment by at least 5 dBA L_{eq} for a period exceeding one year.

According to the ambient noise measurements made for the proposed project, daytime ambient noise levels would range from 69 to 74 dBA L_{eq} for receptors located along Petaluma Hill Road.

Construction activities generate considerable amounts of noise, especially during earth-moving activities when heavy equipment is used. The highest maximum noise levels generated by project construction would typically range from about 80 to 90 dBA L_{max} at a distance of 50 feet from the noise source, and typical hourly average noise levels for residential land uses would range from 65 to 88 dBA L_{eq} , as measured at a distance of 50 feet from the center of the site during busy construction periods (e.g., earth moving equipment, impact tools, etc.). A list of typical maximum instantaneous noise levels and hourly average noise level ranges were provided in the September 2019 noise and vibration assessment.

While a construction schedule and details related to phasing and equipment were not available for Phase 3 of the project, it is expected that construction would start in July 2022 and last for a period of one year. Construction could at times exceed 60 dBA L_{eq} at nearby residential land uses or 70 dBA L_{eq} at nearby commercial land uses and could exceed ambient conditions by more than 5 dBA L_{eq} . With the implementation of Best Construction Management Practices included in Mitigation Measure NOI-1 for Phase 2 of the proposed project, temporary construction noise impacts would be reduced to a less-than-significant level at all noise-sensitive receptors surrounding the site.

Construction Vibration

The City of Santa Rosa does not define vibration thresholds. With no historical buildings or buildings that are documented to be structurally weakened in the project vicinity, a conservative vibration threshold of 0.3 in/sec PPV is used to assess significant impacts at existing off-site structures and 0.5 in/sec PPV at future on-site structures (Phases 1 and 2) and off-site (opposite Farmers Lane extension) structures.

The nearest buildings to the Phase 3 project site would be the Phase 2 buildings to the east. The nearest building would be approximately 50 feet from the Phase 3 project boundary. At this distance, vibration levels would be up to 0.1 in/sec PPV. The nearest off-site building would be more than 70 feet from the Phase 3 project site. Vibration levels at all off-site buildings would be at or below 0.07 in/sec PPV.

At surrounding areas within 200 feet, vibration levels would potentially be perceptible. By use of administrative controls, such as notifying neighbors of scheduled construction activities and scheduling construction activities with the highest potential to produce perceptible vibration during hours with the least potential to affect nearby businesses, perceptible vibration can be kept to a minimum. However, construction vibration levels at all existing and future buildings surrounding the Phase 3 project site would be below California's established thresholds for damage. This would be a less-than-significant impact.

Aircraft Noise

As stated in the September 2019 noise and vibration assessment, the nearest airport (Sonoma County Airport) would be at least 9.3 miles from the project site. As a result, the project would not expose people residing at the project area to excessive aircraft noise levels; therefore, there would be no impact on Phase 3 of the project.



Please feel free to contact us with any questions on the analysis or if we can be of further assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carrie Janello".

Carrie J. Janello
Senior Consultant
Illingworth & Rodkin, Inc.

(19-092)



May 3, 2021

Mr. Sean O'Brien
Kennedy Wilson
151 So. El Camino Drive
Beverly Hills, CA 90212

Addendum to *Final Traffic Impact Study for the 38 Degrees North Phase 2 Project*

Dear Mr. O'Brien;

As requested, W-Trans has prepared this addendum to the *Final Traffic Impact Study for the 38 Degrees North Phase 2 Project*, February 11, 2020. The purpose of this addendum is to address the change in trip generation due to the proposal to include additional residential development in lieu of retail space. The project site is located at 2660 Petaluma Hill Road in the City of Santa Rosa.

Project Description

The proposed 38 Degree North Phase 2 project as previously evaluated included development of 172 apartment units and a 21,000 square-foot community shopping center. However, in lieu of the shopping center, 30 additional residential units are now proposed for the 1.04 acres of vacant land along the southwestern boundary of the project site.

Trip Generation

The anticipated trip generations for the two land uses were estimated using standard rates published by the Institute of Transportation Engineers (ITE) in *Trip Generation Manual*, 10th Edition, 2017. The rates for "Multi-Family Housing (Mid-Rise)" (Land Use #221) were applied to the residential units now proposed, while the "Supermarket" (Land Use #850) rates were applied in the traffic study to the previously proposed shopping center.

Internal Capture Trips

The *Trip Generation Manual* also includes data and methodologies that can be applied to determine the proportion of internal trips that may occur within a development area that includes a variety of land uses. Internal trips occur at mixed-use developments and, in the case of the proposed project, would consist of residents patronizing the adjacent community shopping center. Most of these trips would be made by walking, and the few that would be made by automobile would only travel on-site, so would not affect the adjacent street network. Based on discussions with City staff, an internal capture rate of five percent was applied to the daily trips and p.m. peak hour trips associated with the retail use.

Total Project Trip Generation

Based on the application of these assumptions, the proposed residential project would be expected to generate an average of 163 trips per day, including 11 a.m. peak hour trips and 13 trips during the p.m. peak hour. Compared to the trips associated with the previously proposed shopping center, the housing land use would be expected to result in 1,967 fewer daily trips on average with 69 fewer a.m. peak hour trips and 171 fewer p.m. peak hour trips. These results are summarized in Table 1.

Table 1 – Trip Generation Summary

| Land Use | Units | Daily | | AM Peak Hour | | | | PM Peak Hour | | | |
|----------------------------|--------|--------|--------------|--------------|------------|------------|------------|--------------|-------------|------------|------------|
| | | Rate | Trips | Rate | Trips | In | Out | Rate | Trips | In | Out |
| Previously Proposed | | | | | | | | | | | |
| Supermarket | 21 ksf | 106.78 | 2242 | 3.82 | 80 | 48 | 32 | 9.24 | 194 | 99 | 95 |
| <i>Internal Capture</i> | | -5% | -112 | - | - | - | - | -5% | -10 | -5 | -5 |
| <i>Subtotal</i> | | | 2130 | - | - | - | - | | 184 | 94 | 90 |
| Currently Proposed | | | | | | | | | | | |
| Multi-family Housing | 30 du | 5.44 | 163 | 0.36 | 11 | 3 | 8 | 0.44 | 13 | 8 | 5 |
| Net New Trips | | | -1967 | | -69 | -45 | -24 | | -171 | -86 | -85 |

Note: ksf = 1,000 square feet; du = dwelling unit

Because the housing land use would generate substantially fewer trips during both peak hours as well as on a daily basis, the analysis presented in the traffic study would be conservative and would adequately address any potential effects on operation due to the project as now proposed.

Vehicle Miles Traveled (VMT)

Senate Bill (SB) 743 established a change in the metric to be applied for determining traffic impacts associated with development projects. Rather than the delay-based criteria associated with a Level of Service analysis, the increase in Vehicle Miles Traveled (VMT) as a result of a project is now the basis for determining impacts. Although not yet officially adopted, the City of Santa Rosa is in the process of preparing guidelines for VMT analysis, as outlined in *Vehicle Miles Traveled (VMT) Guidelines Final Draft*, dated June 5, 2020. The City's parameters are consistent with guidance provided in the publication *Transportation Impacts (SB 743) CEQA Guidelines Update and Technical Advisory*, California Governor's Office of Planning and Research (OPR), 2018. Both documents indicate that a residential project generating vehicle travel that is 15 or more percent below the existing countywide residential VMT per capita may indicate a less than significant VMT impact.

Based on data from the recently updated Sonoma County Transportation Authority (SCTA) travel demand model, the County of Sonoma has a baseline average residential VMT of 16.53 miles per capita. Applying OPR's guidance, a residential project generating a VMT that is 15 percent or more below this value, or 14.05 miles per capita, would have a less-than-significant VMT impact. The SCTA model includes traffic analysis zones (TAZ) covering geographic areas throughout Sonoma County. The project site is located within TAZ 573, which has a baseline VMT per capita of 16.39 miles. For the project to achieve the applied VMT significance threshold of 14.05 miles per capita, its VMT would need to be 14.3 percent lower than the current average for the TAZ in which the site is located.

The VMT associated with a development project is adjusted with the density. The publication *Quantifying Greenhouse Gas Mitigation Measures*, California Air Pollution Control Officers Association (CAPCOA), 2010, includes a methodology to determine the VMT reductions associated with increases in residential density using conventional single-family home development as a baseline. For the proposed project, which has a residential density of 28.8 units per acre, a 19.6 percent reduction in VMT is projected, thereby resulting in a project-specific rate of 13.18 VMT/capita. This is below the applied VMT significance threshold of 14.05 VMT/capita. Accordingly, the project as proposed would be expected to result in a less-than-significant VMT impact. The VMT findings are shown in Table 2.

Table 2– Vehicle Miles Traveled Analysis Summary

| VMT Metric | Baseline VMT Rate (Countywide Ave) | Threshold (15% Below Countywide Ave) | Project VMT Rate | | |
|--|------------------------------------|--------------------------------------|---------------------------|-------------------------|-----------------------|
| | | | Base Unadjusted (TAZ 407) | With Density Adjustment | Significance Finding |
| Residential VMT per Capita (Countywide Baseline) | 16.53 | 14.05 | 16.39 | 13.18 | Less than Significant |

Note: VMT Rate is measured in VMT per Capita, or the number of daily miles driven per resident; TAZ=Traffic Analysis Zone

Finding – The project would be expected to have a less-than-significant transportation impact on vehicle miles traveled.

Conclusion

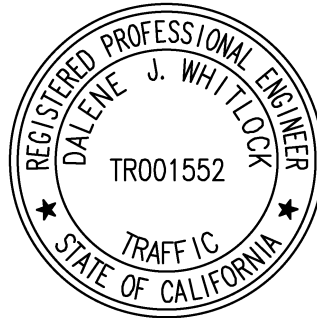
The proposed project is anticipated to generate an average of 1,967 fewer daily weekday trips with 69 fewer trips during the a.m. peak hour and 171 fewer trips during the p.m. peak hour after accounting for previously proposed shopping center and internal capture trips. The project is presumed to have a less-than-significant impact on VMT as the density adjustment reduces the projected VMT below the significance threshold.

Thank you for giving W-Trans the opportunity to provide these services. Please call if you have any questions.

Sincerely,

Jade Kim
Assistant Planner

Dalene J. Whitlock, PE, PTOE
Senior Principal



38 Degrees North Phase 2

W-Trans 05/03/2021

OPR Residential VMT Threshold

- 16.53 VMT/Capita Sonoma Countywide Average
- 14.05 OPR Threshold = 15% below Countywide Average

Base Unadjusted Project VMT

- 16.39 Base VMT/Capita from SCTA Model - Project in TAZ 573
- 30 Multifamily Units 2.34 Occupancy/Unit 70 Residents
- 1151 Base Unadjusted Project VMT (mi) 70 Residents ("capita")

VMT Adjustments and Potential Mitigation Measures

- 16.39 Base VMT/Capita from SCTA Model - Project in TAZ 573
- 14.05 OPR Threshold = 15% below Countywide Average
- 14.3% Project VMT Reduction Required to meet OPR Threshold

A. Density Adjustment

- 30 Project Units including ADU
- 19.6% VMT Reduction (compared to ITE Single Family)
- 3.21 Adjustment to Base Project VMT/Capita

Source: CAPCOA

- 1.04 Project Acres 28.8 Project Density
- Density calculation includes ADU units for VMT purposes

Total Adjusted VMT

- 19.6% Combined Measures VMT Reduction (unadjusted)
- 19.6% Adjusted for Dampening of Combined Measures (per CAPCOA)
- 3.21 Adjustment to Base Project VMT/Capita

VMT Projections After Adjustments and Mitigation

- | | | | |
|--------------|---|-------------|--|
| 16.39 | Base VMT/Capita from SCTA Model | 1151 | Unadjusted Base Residential VMT (mi) |
| <u>-3.21</u> | Adjustment to Base Project VMT/Capita | <u>-225</u> | VMT Reduction with Adjustments and Mitigation |
| 13.18 | Project VMT/Capita with Adjustments & Mitigation | 925 | Project VMT (mi) with Adjustments and Mitigation |
| 14.05 | OPR Significance Threshold | | |
| Yes | Is threshold met with adjustments and mitigation? | | |



September 8, 2021

Mr. Sean O'Brien
Kennedy Wilson
151 So. El Camino Drive
Beverly Hills, CA 90212

VMT Analysis for the 38 Degrees North Project

Dear Mr. O'Brien;

As requested, W-Trans has prepared this analysis to address the potential VMT impacts associated with the proposed General Plan Amendment to modify the land use designations for the entire 38 Degrees North site. The project site is located at 2660 Petaluma Hill Road in the City of Santa Rosa. The site currently has a land use designation of Medium Density Residential and Retail and Business Services. Further, a star shown on the mapping indicates that it is planned as a community shopping center location. The proposed General Plan Amendment would change the land use designation to Medium High Density Residential and eliminate the star.

Project Description

The 38 Degree North project has included three phases, one of which is constructed, one of which is under construction, and the final phase which is currently going through the review and approval process. The project site has a total size of 15.92 acres, though 2.54 acres are being dedicated as open space. While the gross area is used for most lot coverage, or density, calculations, for purposes of estimating VMT only the net coverage is used or, in this case, 13.38 acres. The project includes a total of 322 units.

Vehicle Miles Traveled (VMT)

Senate Bill (SB) 743 established a change in the metric to be applied for determining traffic impacts associated with development projects. Rather than the delay-based criteria associated with a Level of Service analysis, the increase in Vehicle Miles Traveled (VMT) as a result of a project is now the basis for determining impacts. The City of Santa Rosa has issued guidelines for VMT analysis, as outlined in *Vehicle Miles Traveled (VMT) Guidelines Final Draft*, dated June 5, 2020. The City's parameters are consistent with guidance provided in the publication *Transportation Impacts (SB 743) CEQA Guidelines Update and Technical Advisory*, California Governor's Office of Planning and Research (OPR), 2018. Both documents indicate that a residential project generating vehicle travel that is 15 or more percent below the existing countywide residential VMT per capita may indicate a less than significant VMT impact.

Based on data from the recently updated Sonoma County Transportation Authority (SCTA) travel demand model, the County of Sonoma has a baseline average residential VMT of 16.53 miles per capita. Applying OPR's guidance, a residential project generating a VMT that is 15 percent or more below this value, or 14.05 miles per capita, would have a less-than-significant VMT impact. The SCTA model includes traffic analysis zones (TAZ) covering geographic areas throughout Sonoma County. The project site is located within TAZ 573, which has a baseline VMT per capita of 16.35 miles. For the project to achieve the applied VMT significance threshold of 14.05 miles per capita, its VMT would need to be 14.1 percent lower than the current average for the TAZ in which the site is located.

The VMT associated with a development project is adjusted with the density. The publication *Quantifying Greenhouse Gas Mitigation Measures*, California Air Pollution Control Officers Association (CAPCOA), 2010, includes a methodology to determine the VMT reductions associated with increases in residential density using conventional single-family home development as a baseline. For all three phases of the development combined, which have a net residential density of 24.1 units per acre, a 15.2 percent reduction in VMT is projected, thereby resulting in a project-specific rate of 13.87 VMT per capita. This is below the applied VMT significance threshold

of 14.05 VMT per capita. Accordingly, the project as proposed would be expected to result in a less-than-significant VMT impact. The VMT findings are shown in Table 1 and a spreadsheet indicating the factors applied in deriving these values is enclosed.

Table 1– Vehicle Miles Traveled Analysis Summary

| VMT Metric | Baseline VMT Rate (Countywide Avg) | Threshold (15% Below Countywide Avg) | Project VMT Rate | | |
|--|------------------------------------|--------------------------------------|---------------------------|-------------------------|-----------------------|
| | | | Base Unadjusted (TAZ 407) | With Density Adjustment | Significance Finding |
| Residential VMT per Capita (Countywide Baseline) | 16.53 | 14.05 | 16.35 | 13.87 | Less than Significant |

Note: VMT Rate is measured in VMT per Capita, or the number of daily miles driven per resident; project rate reflects the combined three phases of the 38 Degrees North development; TAZ=Traffic Analysis Zone

Finding – The project would be expected to have a less-than-significant transportation impact on vehicle miles traveled.

Conclusion

The project is presumed to have a less-than-significant impact on VMT as the density adjustment reduces the projected VMT below the significance threshold.

Thank you for giving W-Trans the opportunity to provide these services. Please call if you have any questions.

Sincerely,

Zack Matley
Zack Matley, AICP
Principal

Dalene J. Whitlock
Dalene J. Whitlock, PE, PTOE
Senior Principal



DJW/zm/SRO460-5.L2

Enclosure: 38 Degrees North Total Site VMT Summary Sheet

**Mitigation Monitoring and Reporting Program
38 Degrees North Phase 2 Phase-3**

| Mitigation Measure | Implementing Procedure | Monitoring Responsibility | Monitoring / Reporting Action and Schedule | Non-Compliance Sanction / Activity | MMRP Record Name / Date |
|--|--|--|--|---|-------------------------|
| AIR QUALITY | | | | | |
| <p>AQ-1: BAAQMD recommended Best Management Practices (BMPs) to control for fugitive dust and exhaust during all construction activities shall be incorporated into all demolition, building and grading construction plans and require implementation of the following:</p> <ol style="list-style-type: none"> 1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. 2. All haul trucks transporting soil, sand, or other loose material shall be covered. 3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. 4. All vehicle speeds on unpaved roads shall be limited to 15 mph. 5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as practicable. Building pads shall be laid as soon as practicable after grading unless seeding or soil binders are used. | <p>Incorporate into project design and print on construction documents (demolition, grading and building plans).</p> <p>On-site observation.</p> | <p>Building Division Project Applicant/ Contractor</p> | <p>Verification of incorporation into project design and construction documents prior to issuance of grading permit.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of grading permit.</p> <p>Stop work.</p> | |

**Mitigation Monitoring and Reporting Program
38 Degrees North Phase 2 Phase-3**

| Mitigation Measure | Implementing Procedure | Monitoring Responsibility | Monitoring / Reporting Action and Schedule | Non-Compliance Sanction / Activity | MMRP Record Name / Date |
|---|-------------------------------|----------------------------------|---|---|--------------------------------|
| <p>6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.</p> <p>7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper working condition prior to operation.</p> <p>8. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.</p> | | | | | |

**Mitigation Monitoring and Reporting Program
38 Degrees North Phase 2 Phase-3**

| Mitigation Measure | Implementing Procedure | Monitoring Responsibility | Monitoring / Reporting Action and Schedule | Non-Compliance Sanction / Activity | MMRP Record Name / Date |
|--|--|---|--|---|-------------------------|
| <p>AQ-2: To reduce potential health risk impacts during construction, the project shall develop and implement a plan demonstrating that off-road equipment used to construct the project would achieve a fleet-wide average reduction of 80 percent or more in diesel particulate matter (DPM) exhaust emissions. One feasible plan to achieve the DPM reduction could include the following:</p> <ol style="list-style-type: none"> 1. All diesel-powered off-road equipment larger than 25 horsepower operating on-site for more than two days continuously shall meet U.S. EPA particulate matter emissions standards for Tier 3 engines that include CARB-certified Level 3 Diesel Particulate Filters¹ or equivalent. Equipment that achieves U.S. EPA Tier 4 engine standards for particulate matter or equipment that is electrically powered or uses non-diesel fuels would meet this requirement. 2. The simultaneous occurrence of excavation, grading, and ground-disturbing construction activities on the same area at any one time shall be limited. Activities shall be phased to | <p>Incorporate into project design and print on construction documents (demolition, grading and building plans). On-site observation.</p> | <p>Building Division Project Applicant/ Contractor</p> | <p>Verification of incorporation into project design and construction documents prior to issuance of grading permit. Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of grading permit. Stop work.</p> | |

¹ See <http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm>

**Mitigation Monitoring and Reporting Program
38 Degrees North Phase 2 Phase-3**

| Mitigation Measure | Implementing Procedure | Monitoring Responsibility | Monitoring / Reporting Action and Schedule | Non-Compliance Sanction / Activity | MMRP Record Name / Date |
|---|--|--|--|---|-------------------------|
| <p>reduce the amount of disturbed surfaces at any one time.</p> <p>3. Minimize the idling time of diesel-powered construction equipment to two minutes.</p> <p>AQ-3: To reduce potential health risk impacts during construction and at operation of the Community shopping center, a project level Health Risk Assessment (HRA) shall be conducted and recommendations therein implemented during all phases of construction and at operation as follows:</p> <p>1. Unless otherwise demonstrated through a project level HRA at the time that an application is received for the Community shopping center, all measures set forth in AQ-2 above shall be implemented during all phases of construction.</p> <p>2. All recommendations identified in the project level HRA shall be implemented such as:</p> <p>a. Electrification of portable equipment</p> <p>b. Use of alternatively fueled (non-diesel)</p> <p>c. Use of cleaner haul truck fleet</p> | <p>Prepare a project level HRA at the time the future Community Shopping Center is proposed and implement all recommendation therein to demonstrate compliance with performance measures.</p> <p>Incorporate into project design and print on construction documents (demolition, grading and building plans).</p> <p>On-site observation.</p> | <p>Building and Planning Division</p> <p>Project Applicant/ Contractor</p> <p>Qualified Air Quality Specialist</p> | <p>Verification of incorporation into project design and construction documents prior to issuance of grading permit.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of grading permit.</p> <p>Stop work.</p> | |

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| <p>d. Proper staging of equipment</p> <p>3. The project level HRA prepared for the Community shopping center shall evaluate operational emissions and identify avoidance and minimization to ensure that levels fall below BAAQMD thresholds for Health Risks to sensitive receptors. Such measure may include but are not limited to the following:</p> <p>a. Locate delivery points at least 100 feet from sensitive receptors</p> <p>b. Include exterior plugs at loading areas so that delivery trucks can plug in</p> <p>c. Utilize an electric or low emissions vehicle fleet</p> <p>d. Prohibit idling of heavy duty trucks during deliveries</p> | | | | | |
| BIOLOGICAL RESOURCES | | | | | |
| <p>BIO-1: If construction of the project would commence during the nesting season (i.e., between February 1 and September 1), a preconstruction nesting bird survey shall be conducted on the project site and within a zone of influence (approximately 200 feet around the</p> | <p>Incorporate timing into project construction plans and print</p> | <p>Building and Planning Division Project Applicant/ Contractor Qualified biologist</p> | <p>Prior to issuance of grading permit and during construction.</p> | <p>Stop work.</p> | |

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| <p>project site). The zone of influence includes those areas off the project site where birds could be disturbed by earth-moving vibrations or construction traffic and noise. Accordingly, the nesting survey(s) must cover the project site and an area around the project site boundary. If project site disturbance associated with the project would commence in the nesting season, nesting surveys should be completed within 15 days of commencement of construction activities.</p> <p>If common birds are identified nesting on or adjacent to the project site, a non-disturbance buffer of 75 feet should be established. If nesting raptors are found on or adjacent to the project site, buffers of up to 300 feet from the nest site should be established to protect the nesting birds from harm from project related activities. A qualified ornithologist may establish smaller buffers if any bird nest is protected from disturbance by geographic barriers or the nesting birds are confirmed by the ornithologist to be acclimated to disturbance.</p> <p>Nesting buffer(s) shall be demarcated with painted orange lath or via the installation of orange construction fencing. If nesting sites are located off the project site, but within a zone of influence, buffers shall be established on the project site were buffers intersect the project site.</p> | <p>on construction plans.</p> <p>Applicant shall provide the Planning Division with the resume of the qualified biologist demonstrating nesting bird survey and detection experience.</p> <p>Conduct pre-construction survey.</p> <p>On-site observation.</p> <p>If necessary, establish a protection buffer zone.</p> | | <p>Applicant shall provide the pre-construction survey to the Planning Division.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | | |

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| <p>No disturbance should be allowed within established protection buffer(s).</p> <p>Typically, most raptors and passerine birds in the region of the project site are expected to complete nesting by August 1. However, many species can complete nesting by the end of June or in early to mid-July. Regardless, nesting buffers should be maintained until the end of the nesting season unless a qualified ornithologist determines that young have fledged and are independent of their nests or that the nest cycle has otherwise been completed. If buffers are removed prior to the end of the nesting season, the qualified ornithologist should prepare a report for the City of Santa Rosa that provides details about the nesting outcome and that states protective buffers are no longer required to protect nesting birds. This report should be submitted to the City of Santa Rosa a minimum of 5 days prior to the time that nest protection buffers are removed if the date of removal would be before the end of the nesting season.</p> <p>BIO-2:</p> <p>Impacts to waters of the U.S. and/or State can be reduced to less than significant levels through various means, including avoidance, minimization of impacts, and mitigation compensation. For those jurisdictional areas that</p> | <p>Applicant shall provide proof of wetland mitigation credits.</p> | <p>Building and Planning Division Project Applicant/ Contractor</p> | <p>Prior to issuance of grading permit. City shall verify proof of</p> | <p>Deny issuance of grading permit. Stop work.</p> | |

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| <p>cannot be avoided, applicable permits from the Corps and RWQCB shall be acquired to authorize impacts to waters of the U.S. and State.</p> <p>The project will result in the loss of 0.46-acre of waters of the U.S. and State. The applicant will be required by the Corps and RWQCB to mitigate impacts to seasonal wetlands on the project site and linear drainages including the roadside ditch along Petaluma Hill Road.</p> <p>To mitigate impacts to 0.46 acre of waters of the U.S. and State, as approved by the Corps and RWQCB, the applicant shall purchase mitigation credits from an approved wetland mitigation bank at a 1:1 ratio. This mitigation ratio may be modified as otherwise required by the Corps and RWQCB at the time respective permits are issued.</p> <p>As required by the RWQCB, and as necessary to reduce impacts to levels regarded as less than significant pursuant to the CEQA, the project shall also preserve the east/west drainage (4,107 square feet, 0.094-acre of other waters) and 5,816 square feet (0.13-acre) of seasonal wetland in a permanent 2.54-acre Deed Restricted Open Space Preserve.</p> <p>To further mitigate impacts to waters of the U.S. and State, the applicant shall implement a riparian planting plan that prescribes the establishment of riparian trees along the</p> | <p>Applicant shall provide copies of issued 401 and 404 permits.</p> | <p>Outside Agencies (U.S. Army Corps of Engineers; Regional Water Quality Control Board)</p> | <p>purchase of wetland mitigation credits and copies of the 401 and 404 permits.</p> | | |

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| <p>east/west drainage that bisects the project site. The riparian planting area along the east/west drainage shall be preserved in a permanently protected Open Space Preserve that is approximately 50 feet wide from the edge of the jurisdictional waters both to the north and south of the east/west drainage.</p> <p>Finally, the project will be required to fill and reconstruct the mitigation ditch that was constructed by Kawana Meadows along the edge of Franz Kafka to accommodate City-required widening and improvements to Franz Kafka Avenue, east of the project site. This ditch shall be reconstructed within the Open Space Preserve on the project site and shall provide 1:1 replacement for this impacted feature.</p> <p>The North Coast RWQCB will also review the Storm Water Control Plan (SWCP) for this project prior to issuing a Clean Water Act Section 401 permit for the project. The SWCP must prescribe stormwater treatments that meet the NPDES C.3 Provisions (discussed in the section below) prior to the release of stormwater from the project site. In addition, prior to construction of the project, the project proponent to file a SWPPP with the SWRCB. The prescribed SWPPP BMPs will be in place prior to the initiation of construction of the project.</p> | | | | | |

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| <p>Any other conditions that are stipulated for wetland impacts by the Corps and/or RWQCB shall also become conditions of project approval.</p> <p>BIO-3:</p> <p>Construction of a pedestrian bridge that clear spans the east/west drainage that bisects the project site will require a CDFW Section 1602 SBAA. Any mitigation requirements stipulated in the CDFW SBAA will become conditions of project approval.</p> <p>The applicant will implement appropriate BMPs to prevent construction-related impacts that could introduce de minimus fill or other pollutants into the east/west drainage that bisects the project site. These measures include the installation of wildlife friendly hay wattles and/or silt fence that will prevent unintended de minimus fill impact to the drainage that bisects the project site while the pedestrian bridge is constructed. In addition, orange silt fencing shall be installed to protect the reconstructed wetlands in the eastern portion of the Open Space Preserve, which is outside of the area where span bridge construction would take place. The limits of the crossing will also be silt fenced to prevent unintended human and equipment traffic, and de minimus fill impacts to</p> | <p>Applicant shall provide a copy of the issued SBAA.</p> <p>Applicant shall provide a copy of the riparian planting plan to the City.</p> <p>On-site observation.</p> | <p>Building and Planning Division</p> <p>Project Applicant/ Contractor</p> <p>Outside Agencies (U.S. Army Corps of Engineers; RWQCB)</p> | <p>Prior to issuance of grading permit and during construction.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of grading permit.</p> <p>Stop work.</p> | |

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| <p>the Open Space Preserve and east/west drainage that bisects the project site.</p> <p>To further mitigate impacts to 1602 jurisdictional areas, the applicant shall implement a riparian planting plan that prescribes the establishment of riparian trees along the east/west drainage that bisects the site. The riparian planting area along the east/west drainage shall be preserved in permanently protected Open Space Preserve. The project shall preserve the east/west drainage (4,109 square feet, 0.094-acre of other waters) and 5,816 square feet (0.13-acre) of seasonal wetland in a permanent 2.54-acre Deed Restricted Open Space Preserve.</p> <p>Mechanized equipment shall be allowed into the Open Space Preserve only to install/construct the pedestrian bridge, pedestrian sidewalk, perimeter 3:1 transitional fill slopes, riparian planting plan and associated irrigation. At this time, a silt fence shall also be installed at the top-of-banks of the east/west drainage to ensure that there will be no inadvertent de minimus fill or intrusion impacts into the east/west drainage. Furthermore high visibility orange fencing should be placed at the limit of work within the Open Space Preserve including silt fence & fiber roll. All disturbed areas shall be replanted with native grasses.</p> | | | | | |

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| <p>BIO-4:</p> <p>To offset removal of protected trees onsite, the planting plan shall continue to demonstrate appropriate replacement including the following 15-gallon size trees: 14 Coast live oaks, 15 weeping willows, 3 English walnut and 2 black walnuts, or as otherwise stipulated by the City. The locations of the replacement trees shall be illustrated on the final landscaping plans.</p> | <p>Provide landscape plan identifying trees for removal and demonstrating compliance with replanting requirements.</p> | <p>Building and Planning Division Project Applicant/ Contractor</p> | <p>Prior to issuance of grading permit. Final inspection by Building and Planning Division.</p> | <p>Deny issuance of Certificate of Occupancy.</p> | |
| CULTURAL RESOURCES | | | | | |
| <p>CUL-1:</p> <p>All provisions of the Monitoring Protocols and Procedures identified in the Cultural Resources Management Plan (CRMP) prepared by Evans & De Shazo (August 20, 2019) <u>and updated on December 6, 2021</u>, shall be implemented including, but not limited to the following:</p> <ol style="list-style-type: none"> 1. Utilize qualified archaeological personnel, <u>Lytton Rancheria, and Federated Indians of Graton Rancheria approved Tribal Monitor(s)</u> for monitoring 2. Monitoring may include full-time, part-time, and/or spot checks during earth-moving activities 3. Monitors shall be granted authority to suspend construction work within 25 feet of a discovery | <p>Incorporate into project design and print on construction documents (grading plans). On-site observation. Implement CRMP during construction.</p> | <p>Building and Planning Division Project Applicant/ Contractor Qualified Archaeologist</p> | <p>Prior to commencement of ground disturbing activities. During ground disturbance activities. Upon completion of construction.</p> | <p>Stop work. Deny issuance of grading permit.</p> | |

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| <p>4. Coordination with the Sonoma County Coroner, Native American Heritage Commission, and Most Likely Descendant is required if suspected human remains are discovered</p> <p>5. Ongoing coordination with Lytton Rancheria and <u>Federated Indians of Graton Rancheria</u></p> <p>6. Maintain daily log and weekly/monthly reports</p> <p>7. Carry out the Field Recordation and Mitigation Plan</p> <p>8. Curation shall be at the expense of the Project developer</p> <p>9. Artifacts shall be cataloged using protocols acceptable to the David A Fredrickson Archeological Collections Facility at Sonoma State University</p> <p>10. A Final CRMP shall be prepared within 90 business days following completion of ground disturbance and shall be submitted to the City, Lytton Rancheria, <u>Federated Indians of Graton Rancheria</u>, and the NWIC.</p> | | | | | |
| ENERGY | | | | | |
| <p>ENERGY-1:</p> <p>To avoid potential conflicts with the City of Santa Rosa's Climate Action Plan, the Project shall implement Mitigation Measures GHG-1 and GHG-2 set forth below.</p> | <p>Incorporate into project design and print on construction plans.</p> | <p>Building and Planning Division Project Applicant/ Contractor</p> | <p>Prior to issuance of construction permits. Monitor during construction.</p> | <p>Deny issuance of construction permits.</p> | |

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| GEOLOGY AND SOILS | | | | | |
| <p>GEO-1: Prior to issuance of a grading permit, an erosion control plan along with grading and drainage plans shall be submitted to the Building Division of the City's Department of Planning and Economic Development. All earthwork, grading, trenching, backfilling, and compaction operations shall be conducted in accordance with the City of Santa Rosa's Grading and Erosion Control Ordinance, Chapter 19-64 of the Santa Rosa Municipal Code). These plans shall detail erosion control measures such as site watering, sediment capture, equipment staging and laydown pad, and other erosion control measures to be implemented during construction activity on the project site.</p> <p>GEO-2: All applicable recommendations set forth in the Geotechnical Engineering Study (January 15, 2019 prepared by Youngdahl Consulting Group, Inc.) for the subject property, including, but not limited to grading, drainage, excavation, foundations systems, and compaction specifications shall be incorporated. Final grading plan, construction plans, and building plans shall demonstrate that recommendations set forth in the geotechnical reports have been incorporated into the design of</p> | <p>Incorporate into project design and print on construction documents (demolition, grading and building plans).</p> <p>Incorporate into project design and print on construction documents (demolition, grading and building plans).</p> | <p>Building Division Project Applicant/ Contractor</p> <p>Building Division City Engineer Project Applicant/ Contractor</p> | <p>Verify prior to issuance of grading permit. Monitor during regularly scheduled inspections to verify that measures are in place.</p> <p>Verification of incorporation into project design and construction documents prior to issuance of grading permit. Monitor during construction to</p> | <p>Deny issuance of permits. Stop work.</p> <p>Deny issuance of permits. Stop work.</p> | |

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| <p>the project and to the satisfaction of the City of Santa Rosa city Engineer.</p> <p>GEO-3:</p> <p>In the event that paleontological resources, including individual fossils or assemblages of fossils, are encountered during construction activities all ground disturbing activities shall halt and a qualified paleontologist shall be procured to evaluate the discovery and make treatment recommendations.</p> | <p>Incorporate into project design and print on construction documents (grading plans).</p> <p>On-site observation.</p> | <p>Building and Planning Division Project Applicant/ Contractor Qualified paleontologist</p> | <p>verify that measures are in place.</p> <p>During ground disturbance activities.</p> | <p>Stop work.</p> | |
| GREENHOUSE GAS EMISSIONS | | | | | |
| <p>GHG-1:</p> <p>Santa Rosa's CAP Appendix E New Development Checklist or other qualified GHG program in effect, shall be submitted along with any application for the future community shopping center, demonstrating compliance with all mandatory requirements of the Santa Rosa's CAP Appendix E New Development Checklist, except where the item is not applicable or where a suitable substitution is provided.</p> | <p>Incorporate into project design and print on construction documents (building and landscape plans).</p> <p>Print copy of Appendix E Checklist on construction documents.</p> | <p>Building and Planning Division Project Applicant/ Contractor</p> | <p>Prior to issuance of construction permits.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of construction permits.</p> | |

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| <p>GHG-2:</p> <p>Prior to development of the community shopping center, a GHG reduction strategy shall be developed and approved by the City. This strategy shall identify measures to reduce the commercial GHG emissions to levels that meet thresholds associated with either:</p> <ol style="list-style-type: none"> 1. Targets identified in the City's Climate Action Plan that are consistent with current State goals of achieving reductions consistent with SB 32, or 2. Operational thresholds set forth by the BAAQMD for post 2020 thresholds if published by BAAQMD and accepted by the City of Santa Rosa, or as otherwise identified by the BAAQMD, the City of Santa Rosa, or other appropriate entity at the time the community shopping center is proposed. <p>Measures to meet these thresholds shall be identified through a refined analysis GHG emissions of the final design at the time that a future commercial component is proposed. Measures that would be included in the commercial portion of the project may include the following:</p> <ul style="list-style-type: none"> • Installation of solar power systems or other renewable electric generating systems that provide electricity to power on-site equipment | <p>Incorporate into project design and print on construction documents (building and landscape plans).</p> <p>Develop and implement a GHG reduction strategy demonstrating compliance with performance standards.</p> | <p>Building and Planning Division</p> <p>Project Applicant/ Contractor</p> <p>Qualified Air Quality Specialist</p> | <p>Prior to issuance of construction permits for community shopping center.</p> <p>Verify compliance.</p> | <p>Deny issuance of construction permits.</p> | |

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| <p>and possibly provide excess electric power; install efficient space and water heating systems;</p> <ul style="list-style-type: none"> • Construct onsite or fund off-site carbon sequestration projects (such as a forestry or wetlands projects for which inventory and reporting protocols have been adopted). If the project develops an off-site project, it must be registered with the Climate Action Reserve or otherwise approved by the BAAQMD in order to be used to offset Project emissions; • Purchase of carbon credits to offset Project annual emissions. Carbon offset credits must be verified and registered with The Climate Registry, the Climate Action Reserve, or another source approved by the California Air Resources Board or BAAQMD. The preference for offset carbon credit purchases include those that can be achieved as follows: 1) within the City; 2) within the San Francisco Bay Area Air Basin; 3) within the State of California; then 4) elsewhere in the United States. Provisions of evidence of payments, and funding of an escrow-type account or endowment fund would be overseen by the County; • Develop and implement a transportation demand management (TDM) program to further reduce mobile GHG emissions. | | | | | |

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| <ul style="list-style-type: none"> • Purchase carbon-free generated electricity from Sonoma Clean Power (i.e. EverGreen Mix). | | | | | |
| HYDROLOGY AND WATER QUALITY | | | | | |
| <p>HYDRO-1:</p> <p>In accordance with the National Pollution Discharge Elimination System (NPDES) regulation, the applicant shall prepare and implement a Storm Water Pollution Prevention Plan (SWPPP) prior to construction. The SWPPP shall address erosion and sediment controls, proper storage of fuels, identification of BMPs, and use and cleanup of hazardous materials. A Notice of Intent, fees, and other required documentation shall be filed with the Regional Water Quality Control Board. During construction a monitoring report shall be conducted weekly during dry conditions and three times a day during storms that produce more than 1/2" of precipitation.</p> <p>HYDRO-2:</p> <p>Should construction dewatering be required, the applicant shall either reuse the water on-site for dust control, compaction, or irrigation, retain the water on-site in a grassy or porous area to allow infiltration/evaporation, or obtain a permit to discharge construction water to a sanitary sewer or storm drain. Discharges to the sanitary sewer system shall require a one-time discharge permit from the City of Santa Rosa Utilities Department.</p> | <p>Incorporate into project design and print on construction documents (building and landscape plans).</p> <p>On-site observation</p> <p>Incorporate into project design and print on construction documents (building and landscape plans).</p> <p>On-site observation</p> | <p>Public Works, Building and Planning Division</p> <p>Project Applicant/ Contractor</p> <p>Public Works, Building and Planning Division</p> <p>Project Applicant/ Contractor</p> | <p>Prior to issuance of grading and building permits.</p> <p>Monitor during construction to verify measures are in place.</p> <p>Construction Monitoring Report from Applicant.</p> <p>Verification of incorporation into design and construction documents prior to issuance of grading and</p> | <p>Deny grading and building permits.</p> <p>Stop work.</p> <p>Deny grading and building permits.</p> <p>Stop work.</p> | |

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| <p>Measures may include characterizing the discharge and ensuring filtering methods and monitoring to verify that the discharge is compliant with the City's local wastewater discharge requirements. Discharges to a storm drain shall be conducted in a manner that complies with the Regional Water Quality Control Board Waste Discharge Requirements for Low Threat Discharges to Surface Waters in the North Coast Region. In the event that groundwater is discharged to the storm drain system, the Applicant shall submit permit registration documents and develop a Best Management Practices/Pollution Prevention Plan to characterize the discharge and to identify specific BMPs, such as sediment and flow controls sufficient to prevent erosion and flooding downstream.</p> | | | <p>building permits. Monitor during regularly scheduled inspections to verify that measures are in place. Construction Monitoring Report from Applicant.</p> | | |
| LAND USE | | | | | |
| <p>LU-1: For consistency with the General Plan, the following noise insulation features shall be implemented: a) Provide a suitable form of forced-air mechanical ventilation, as determined by the local building official, for all residential buildings, so that windows can be kept closed to control noise.</p> | <p>Incorporate into project design and print on construction documents (building plans).</p> | <p>Building and Planning Division Project Applicant/ Contractor Acoustical consultant</p> | <p>Prior to building permit issuance.</p> | <p>Deny building permit.</p> | |

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| <p>b) Provide sound-rated windows and doors for Buildings 1, 6, and 7 to maintain interior noise levels or below the City's 45 dBA L_{dn} interior noise threshold. Preliminary calculations show that sound-rated windows and doors with minimum STC ratings of 30 would be satisfactory for units located in Buildings 6 and 7. Windows and doors for Building 1 would require STC ratings of 28 to meet the interior noise threshold. Standard residential grade windows and doors (minimum STC 26) would be required for all remaining units.</p> <p>c) A qualified acoustical specialist shall prepare a detailed analysis of interior residential noise levels resulting from all exterior sources during the final design phase of the project pursuant to requirements set forth in the General Plan and State Building Code. The study will review the final site plan, building elevations, and floor plans prior to construction and confirm building treatments necessary to reduce interior noise levels to 45 dBA L_{dn} or less. Treatments would include, but are not limited to, sound-rated windows and doors as specified above, acoustical caulking, protected ventilation openings, etc. The specific determination of what noise insulation treatments are necessary shall be conducted on a unit-by-unit basis during final design of the project. Results of the analysis, including</p> | | | | | |

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| the description of the necessary noise control treatments, shall be submitted to the City, along with the building plans and approved design, prior to issuance of a building permit. | | | | | |
| NOISE | | | | | |
| <p>NOI-1:</p> <p>The following Best Construction Management Practices shall be implemented during all phases of the residential and commercial construction to reduce construction noise levels emanating from the site, limit construction hours, and minimize disruption and annoyance:</p> <ul style="list-style-type: none"> • Limit construction hours to between 7:00 a.m. and 7:00 p.m., Monday through Friday and between 9:00 a.m. and 5:00 p.m. on Saturdays. No construction activities are permitted on Sundays and holidays. • Limit use of the concrete saw to a distance of 50 feet or greater from residences, where feasible. • Construct temporary noise barriers, where feasible, to screen stationary noise-generating equipment when located near adjoining sensitive land uses. Temporary noise barriers would provide a 5 dBA noise reduction if the noise barrier interrupts the line-of-sight between the noise source and receiver and if | <p>Incorporate into project design and print on construction documents (building plans).</p> <p>Identify a disturbance coordinator to respond to complaints and address noise concerns as they arise.</p> <p>On-site observation.</p> | <p>Building and Planning Division</p> <p>Project Applicant/ Contractor</p> <p>Disturbance coordinator</p> | <p>Verification of incorporation into design and construction documents prior to issuance of grading and building permits.</p> <p>Monitor during regularly scheduled inspections to verify that measures are in place.</p> | <p>Deny issuance of grading and building permit.</p> <p>Stop work.</p> | |

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| <p>the barrier is constructed in a manner that eliminates any cracks or gaps.</p> <ul style="list-style-type: none"> • Equip all internal combustion engine-driven equipment with intake and exhaust mufflers that are in good condition and appropriate for the equipment. • Unnecessary idling of internal combustion engines shall be strictly prohibited. • Locate stationary noise-generating equipment such as air compressors or portable power generators as far as possible from sensitive receptors. If they must be located near receptors, adequate muffling (with enclosures where feasible and appropriate) shall be used to reduce noise levels at the adjacent sensitive receptors. Any enclosure openings or venting shall face away from sensitive receptors. • Utilize "quiet" air compressors and other stationary noise sources where technology exists. • Construction staging areas shall be established at locations that will create the greatest distance between the construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction. | | | | | |

**Mitigation Monitoring and Reporting Program
38 Degrees North Phase 2 Phase 3**

| Mitigation Measure | Implementing Procedure | Monitoring Responsibility | Monitoring / Reporting Action and Schedule | Non-Compliance Sanction / Activity | MMRP Record Name / Date |
|--|-------------------------------|----------------------------------|---|---|--------------------------------|
| <ul style="list-style-type: none"> • Locate material stockpiles, as well as maintenance/equipment staging and parking areas, as far as feasible from existing residences. • Control noise from construction workers' radios to a point where they are not audible at existing residences bordering the project site. • The contractor shall prepare a detailed construction schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with adjacent residential land uses so that construction activities can be scheduled to minimize noise disturbance. Avoid overlapping construction phases, where feasible. • Notify all adjacent business, residences, and other noise-sensitive land uses of the construction schedule, in writing, and provide a written schedule of "noisy" construction activities to the adjacent land uses and nearby residences. • Designate a "disturbance coordinator" who would be responsible for responding to any complaints about construction noise. The disturbance coordinator will determine the cause of the noise complaint (e.g., bad | | | | | |

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| <p>muffler, etc.) and will require that reasonable measures be implemented to correct the problem. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include in it the notice sent to neighbors regarding the construction schedule.</p> <p>NOI-2:</p> <p>Prior to the issuance of building permits, mechanical equipment generated at the future community shopping center shall be selected and designed to reduce impacts on surrounding uses to meet the City's requirements. A qualified acoustical consultant shall be retained by the project applicant to review mechanical noise as the equipment systems are selected in order to determine specific noise reduction measures necessary to reduce noise to comply with the City's 50 dBA L_{eq} residential noise limit at the nearest residential property line. Noise reduction measures could include, but are not limited to, selection of equipment that emits low noise levels and/or installation of noise barriers such as enclosures and parapet walls to block the line-of-sight between the noise source and the nearest receptors. Alternate measures may include locating equipment in less noise sensitive areas, where feasible. The measures recommended by the acoustical consultant to ensure compliance</p> | <p>Incorporate into project design and print on construction documents (building plans).</p> | <p>Building and Planning Division Project Applicant/ Contractor Qualified Acoustical Specialist</p> | <p>Verification of incorporation into design prior to building permit issuance.</p> | <p>Deny issuance of building permit.</p> | |

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| with the City's requirements would be imposed on the future community shopping center as project conditions of approval. | | | | | |
| TRANSPORTATION | | | | | |
| TRANS-1: Red curb markings shall be installed to prohibit parking for at least 50 feet north of the northern Franz Kafka Avenue driveway on the project side of the roadway. New plantings or signs to be located along the street frontages shall be designed to ensure that adequate sight lines are maintained. New vegetation along street frontages shall not exceed three feet in height and tree canopies shall extend no less than seven feet in height from the ground surface. The applicant shall be responsible for maintaining adequate sight lines from the project driveways. | Incorporate into project design and print on construction documents (building and landscape plans). | Building and Planning Division Project Applicant/ Contractor | Prior to building permit issuance. | Deny issuance of building permit. | |
| TRIBAL CULTURAL RESOURCES | | | | | |
| TCUL-1: To protect buried Tribal Cultural Resources that may be encountered during construction activities, the Project shall implement Mitigation Measure CUL-1 above. | See CUL-1 | See CUL-1 | See CUL-1 | See CUL-1 | |
| CUMULATIVE IMPACTS | | | | | |

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| <p>CUM-1. The applicant shall coordinate the project's construction activities and construction schedule with the City to minimize the concurrent construction of projects immediately adjacent to the project site and ensure that overlapping road closures, periods of increased noise and dust generation are minimized to the extent practicable.</p> | <p>Incorporate into construction timing and coordinate with City for any delays or changes.</p> | <p>Building and Planning Division Project Applicant/ Contractor</p> | <p>Prior to submittal of construction documents.</p> | <p>Deny issuance of permits.</p> | |