

## NOTICE OF EXEMPTION

**To:** Office of Planning and Research  
  
County Clerk  
County of Los Angeles  
12400 Imperial Hwy  
Norwalk, CA 90650

**From:** County of Los Angeles  
Hall of Administration  
500 West Temple Street, Room 754  
Los Angeles, CA 90012

**PROJECT TITLE:** Project Homekey – Knights Inn, Palmdale

**PROJECT LOCATION -- Specific:** Knights Inn, 130 E. Palmdale Blvd., Palmdale, CA 93550

**PROJECT LOCATION – City:** Palmdale

**PROJECT LOCATION – County:** Los Angeles

**DESCRIPTION OF NATURE, PURPOSE, AND BENEFICIARIES OF PROJECT:** The State's Homekey Program (Homekey), has made funding available for local jurisdictions to purchase hotels and other properties to be used as interim and permanent housing for people experiencing homelessness (PEH) who are impacted by COVID-19. In September 2021, the California Department of Housing and Community Development (HCD) announced the availability of approximately \$1.45 billion of Homekey grant funding through its Round 2 Notice of Funding Availability (NOFA). In late October 2021, the County's Chief Executive Office (CEO) released a Request for Statement of Interest (RFSI) for the identification of nonprofit or for-profit entities (Corporations) to apply jointly with the County of Los Angeles (County) for the Homekey Round 2 NOFA. Selected Corporations would own and, in some cases, operate properties acquired through Homekey Round 2. The County received more than 30 responses to the RFSI, and identified 11 Corporations with whom to submit applications to HCD by January 31, 2022. Selected Corporations have performed due diligence on the properties to ensure the properties are appropriate for use as interim or permanent supportive housing for PEH, and to support a fair market purchase price for the properties. The State's Homekey Round 2 funds will be used to pay for the cost to acquire, develop, and/or rehabilitate each property. In some cases, a local match will be required to acquire, develop, and/or rehabilitate each property. On January 25, 2021, the County authorized applications for 19 proposed Homekey projects, and found the projects to be exempt from CEQA. This Project consists of a 100-unit motel that will be renovated for permanent supportive housing.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** County of Los Angeles

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Shangri-La Industries, LLC, Step Up On Second Street, Inc., County of Los Angeles

**EXEMPT STATUS:**

- Ministerial (Pub. Res. Code Sec. 21080(b)(1); Guidelines Sec. 15268).
- Declared Emergency (Pub. Res. Code Sec. 21080(b)(3); Guidelines Sec. 15269(a))
- Emergency Project (Pub. Res. Code Sec. 21080(b)(4); Guidelines Sec. 15269(c))
- Categorical Exemption: Class 1 (Existing Facilities) Guidelines Sec. 15301 and Class 32 (Infill Development) Guidelines Sec. 15332. County of Los Angeles Environmental Document Procedures and Guidelines -- Class 1
- Statutory Exemption: Gov. Code Sec. 65650, et seq., Pub. Res. Code Sec. 21080.50
- Health and Safety Code Sec. 50675.1.4


**REASONS WHY PROJECT IS EXEMPT:** See attachment, which is incorporated herein.

**LEAD AGENCY CONTACT PERSON:**

Elizabeth Ben-Ishai, Principal Analyst, Chief Executive Office – Homeless Initiative; Telephone: (213) 974-2566

**IF FILED BY APPLICANT:** Not Applicable

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project?  Yes  No

Signature:  Date: 2/7/2022 Title: Principal Analyst

Signed by Lead Agency       Signed by Applicant      Date Received for Filing at OPR:

## **Knights Inn - Palmdale, Project Homekey**

### **Summary of Reasons Why Project is Exempt Attachment**

The Project utilizes Homekey grant funds and other public funds and will provide housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness. The Project consists of a 100-unit motel that will be renovated for permanent supportive housing. Renovations include adding a kitchenette to each unit, mew finishes, ADA upgrades, hardscape and landscape upgrades, mechanical, electrical and plumbing systems upgrades, roof replacement and infilling the pool.

The Project is exempt from CEQA because it meets the requirements of Government Code Section 65650 et seq., as it is a "supportive housing" development, as defined therein, and Public Resources Code Section 21080.50, as it is an "interim motel housing project" as defined therein. Further, the Project is exempt from CEQA pursuant to Section 21080(b)(4) of the Public Resources Code and Section 15269(c) of the State CEQA Guidelines, which exempts specific actions necessary to prevent or mitigate an emergency, the current homelessness crisis facing the County. The Project is also categorically exempt pursuant to State CEQA Guidelines Sections 15301 (Existing Facilities) because the Project consists of the renovation of an existing motel for permanent supportive housing purposes with negligible or no expansion of its existing or former use, and 15332 (Infill Development) because the Project is urban in-fill development that is consistent with the applicable general plan and zoning, is within in a city on a site of no more than five acres, has no value as habitat, will not result in significant effects relating to traffic, noise, air quality or water quality and will be adequately served by existing utilities and public services. The Project is also exempt pursuant to Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the record of the Project, it will comply with all applicable regulations, and is not in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indication that it may cause a substantial adverse change in the significance of a historical resource that would make the exemptions inapplicable.