

NOTICE OF EXEMPTION

<p>TO:</p> <p><input checked="" type="checkbox"/> Office of Planning and Research P. O. Box 3044, Room 113 Sacramento, CA 95812-3044</p>	<p>FROM: San Diego Metropolitan Transit System (lead agency) (Public Agency)</p> <p>Contact: Kena Teon, MTS Grants Administrator Telephone: 619-557-4575</p>
<p><input checked="" type="checkbox"/> Clerk of the Board of Supervisors or County Clerk County of: San Diego Office of the Recorder – County Clerk 1600 Pacific Highway, Suite 260 P.O. Box 121750 San Diego, CA 92112-1750 Phone: (619) 237-0502</p>	<p>Address: 1255 Imperial Avenue Suite 1000 San Diego, CA 9210</p>

<p>1. Project Title:</p>	<p>Imperial Avenue Terminal Transit-Oriented Development Project – San Diego Foundation Collaboration Process</p>
<p>2. Project Applicant:</p>	<p>San Diego Metropolitan Transit System Contact: Kena Teon MTS Grants Administrator 1255 Imperial Avenue Suite 1000 San Diego, CA 92101 Phone: 619-557-4575</p>
<p>3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15’ or 7 1/2’ topographical map identified by quadrangle name):</p>	<p>The potential Imperial Avenue Terminal Transit-Oriented Development Project would be located at 1313 National Avenue and 1344 National Avenue, San Diego.</p> <p>A map of the potential project location is attached.</p>
<p>4. (a) Project Location – City: San Diego</p>	<p>(b) Project Location – County:</p>
<p>5. Description of nature, purpose, and beneficiaries of Project:</p>	<p>On July 18, 2024, the San Diego Metropolitan Transit System (“MTS”) authorized the Chief Executive Officer to proceed with negotiations with the San Diego Foundation and its selected</p>

lead developer, Cypress Equity Investments (CEI), for a potential TOD project at 1313 National Avenue and 1344 National Avenue site (IMT TOD Project).

On April 20, 2023, the Board approved an Exclusive Negotiation Agreement (ENA) with the San Diego Foundation to negotiate terms for a proposed joint development project collaboration on property owned by MTS adjacent to its 12th & Imperial Transit Center – at 1313 National Ave and 1344 National Ave (National Ave Property). The ENA allowed MTS to negotiate the terms of a Collaboration Agreement that would provide a framework with the San Diego Foundation to conduct a competitive solicitation process to identify a developer or developers to enter into a joint venture with the San Diego Foundation to design, permit, and/or construct a joint development project on the National Ave Property.

On June 15, 2023, the Board approved a Collaboration Agreement with the San Diego Foundation. This agreement set the Goals and Policy Objectives that both MTS and the San Diego Foundation were seeking to achieve with this IMT Joint Development Project, and identified the process that the San Diego Foundation, with MTS participation, would follow to identify and select a lead developer and prepare a development proposal for presentation to the MTS Board for approval.

The Goals and Policy Objectives, as set forth in Recital N of the Collaboration Agreement, were intentionally broad so that the San Diego Foundation and MTS could engage in an interactive process with potential developers and with community stakeholders to identify the most effective and beneficial project that can be completed. These goals and policies include, but are not limited to, maximizing affordable and workforce housing and multi-family residential rental units and completing Transit Center improvements to centralize existing transit facilities.

The San Diego Foundation has completed its initial due diligence and its developer selection process, which included a Developer Competition through the issuance of a Request for Qualifications. The San Diego Foundation selected CEI as the lead developer for the IMT TOD Project concept after conducting an

	<p>extensive evaluation process. CEI and the San Diego Foundation have developed a project concept that contains two components, which could be implemented independently, to be known as the North Project and the South Project.</p> <p>The North Project will be delivered with CEI as the lead developer and will be the first to commence construction. It is anticipated to comprise approximately 160 units (or approximately 280 bedrooms), all of which will be affordable to individuals/families earning 40% to 80% Area Median Income (AMI). The concept for this project includes one-, two- and three-bedroom units along with ground floor commercial, community, and open space uses. The North Project is anticipated to be delivered by December 2027.</p> <p>The South Project will be undertaken when market conditions are supportive and target the delivery of 200 – 400 workforce and market rate units. The developer of this project will be selected by San Diego Foundation and could be CEI or another developer(s). The North and South Projects can be conducted independently and on separate timeframes.</p> <p>This conceptual program is anticipated to help each of MTS and the San Diego Foundation realize its vision for the IMT Property by facilitating the near term start of much needed affordable housing, enabling integration of these projects with the Transit Center Expansion, all while preserving the flexibility to be responsive to market conditions and realize greater density and a broader income mix on the site.</p>
6. Name of Public Agency approving project:	
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	<p>San Diego Metropolitan Transit System Contact: Kena Teon MTS Grants Administrator 1255 Imperial Avenue Suite 1000 San Diego, CA 92101 Phone: 619-557-4575</p>
8. Exempt status: (check one)	
(a) <input type="checkbox"/> Ministerial project.	
(b) <input checked="" type="checkbox"/> Not a project.	Pub. Resources Code, § 21065; 14 Cal. Code Regs., § 15378, subd. (a)

(c)	<input type="checkbox"/>	Emergency Project.	
(d)	<input type="checkbox"/>	Categorical Exemption. State type and section number:	
(e)	<input type="checkbox"/>	Declared Emergency.	
(f)	<input type="checkbox"/>	Statutory Exemption. State Code section number:	
(g)	<input checked="" type="checkbox"/>	Other. Explanation:	14 Cal. Code Regs., § 15061, subd. (b)(3) (common sense exemption – no possibility of significant effect on environment)
9.	Reason why project was exempt:		<p>Authorization to continue negotiations does not constitute a “project” subject to environmental review under CEQA because it does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. (Pub. Resources Code, § 21065; 14 Cal. Code Regs., § 15378, subd. (a).)</p> <p>Further, authorization of continued negotiations under the Collaboration Agreement is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. There is no possibility authorization of negotiations may have a significant effect on the environment, and therefore it is not subject to CEQA. (14 Cal. Code Regs., 15061, subd. (b)(3).)</p> <p>The Collaboration Agreement did not and does not commit MTS to any potential or concrete development proposal, which would be subject to compliance with CEQA, as required, for any future project consideration or approval. Moreover, the details of the IMT TOD Project concept are too speculative at this juncture to enable meaningful CEQA review.</p>
10.	Lead Agency Contact Person:		Kena Teon, MTS Grants Administrator
	Telephone:		619-557-4575
11.	If filed by applicant: Attach Preliminary Exemption Assessment (Form “A”) before filing. Not applicable		
12.	Has a Notice of Exemption been filed by the public agency approving the project? <input type="checkbox"/> Yes <input type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/>		
13.	Was a public hearing held by the Lead Agency to consider the exemption? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> <input type="checkbox"/> No <input type="checkbox"/>		

If yes, the date of the public hearing was: July 18, 2024

Signature: Kena M. Teon Date: 07/29/2024

Name: Kena M. Teon, Title: Grants Administrator

Signed by Lead Agency Signed by Applicant

Date Received for Filing: _____

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

MAP OF POTENTIAL JOINT DEVELOPMENT PROJECT LOCATION

