



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE SPECIAL CITY COUNCIL

### **AGENDA ITEM**

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Report: Ordinance Authorizing Entry into a Statutory Development Agreement between the City of Glendale and Adelfia Properties II, LLC, a Delaware limited liability company in Connection with the Lucia Park Project (620 North Brand Boulevard and 625 North Maryland Avenue)

1. Ordinance for Development Agreement

### **COUNCIL ACTION**

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**Item Type:** Action Item

**Approved for** November 1, 2022 **calendar**

### **EXECUTIVE SUMMARY**

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A Development Agreement is proposed between the City of Glendale and Adelfia Properties II, LLC, a Delaware limited liability company (the owner) for a 24-story, 294-unit residential project, pursuant to Government Code Section 65864 through 65869.5. The Development Agreement (“DA”) provides a six-year entitlement period for the project and locks in the project’s current Development Impact Fees including the Public Use Facilities Development Impact Fee (GMC Section 4.10); Affordable Housing Development Impact Fee (GMC Section 4.11); and Inclusionary Housing Requirements (GMC Section 30.35.060). The Development Agreement was originally introduced for adoption at the June 14, 2022 City Council meeting.

## **COUNCIL PRIORITIES**

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**Housing:** Balanced, Quality Housing and the maintenance, preservation, and development of balanced housing opportunities.

## **RECOMMENDATION**

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That the City Council adopt the ordinance approving the Statutory Development Agreement between the City of Glendale and Adelfia Properties II, LLC, a Delaware limited liability company.

## **BACKGROUND**

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On June 14, 2022, the City Council approved the Stage II Final Design Review Submission and adopted a Sustainable Communities Environmental Assessment (SCEA) and Mitigation Monitoring and Reporting Program for the Lucia Park Project located at 620 N. Brand Boulevard and 625 North Maryland Avenue.

The Lucia Park project site is 1.48 acres and is bordered by Brand Boulevard to the west, the 134 Freeway to the north, Maryland Avenue to the east, and a six-story commercial office building and surface parking lot to the south. The site is developed with a six-story office building (Chase Bank/Coldwell Banker) and a two-story parking structure with an attached 12,156 square-foot commercial building.

The proposed project is a 294-unit, 24-story multi-family residential building that includes 373 subterranean parking spaces for the residential use and 129 above-ground spaces for the bank building and commercial use; a publicly accessible open space plaza fronting Brand Boulevard; and residential amenity spaces throughout the Project. No changes are proposed to the commercial/bank building with the exception of applying for the building to be placed on the National Historic Register. The parking garage and attached commercial space would be demolished. No variances are required.

During the June 14, 2022 meeting the City Council introduced an ordinance for adoption of a development agreement for the Project. An ordinance requires two hearings: an introductory hearing followed by a second public hearing to consider adoption of the ordinance. The second public hearing for the DA was not put on a subsequent agenda and the City Council did not consider adoption of the DA ordinance. The DA is being brought to the City Council for consideration of adoption.

## **ANALYSIS**

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The DA preserves the Project entitlements for a six (6) year term (Exhibit 1). In addition, the DA locks in the current Development Impact Fees (impact and linkage fees, exactions, or fair share charges imposed on new development) including the Public Use

Facilities Development Impact Fee (GMC Section 4.10); Affordable Housing Development Impact Fee (GMC Section 4.11); and Inclusionary Housing Requirements (GMC Section 30.35.060). The DA incorporates the proposed Stage II Design, including the Public Accessible Open Space, and provides indemnification of the City, acknowledgements, agreements and assurances on the part of the Developer and the City.

The DA was requested by the applicant to preserve the Project's entitlements to allow additional time for the continued financial instability resulting from the uneven economic recovery from the COVID-19 pandemic to resolve, and provide additional time to secure construction financing and subsequent preparation of construction documents, plan check and permitting.

On February 2, 2022, the DA was presented to the Planning Commission for review and Recommendation. The Planning Commission determined the DA is consistent with the City's General Plan and the DSP and recommended approval with one comment. The Planning Commission recommended that the applicant/owner reach out to the skilled labor groups/unions regarding local hiring for construction. See Exhibit 2 for Planning Commission's Motion.

## **STAKEHOLDERS/OUTREACH**

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Code requires publication of public notices when the City Council considers approval of entitlements. Staff published all required notices in the Glendale Independent newspaper and mailed copies to all property owners and occupants with 500 feet of the project site for all public meetings and hearings, including the original City Council meeting, and the site was duly posted. CEQA noticing requirements for the SCEA were met as well.

## **FISCAL IMPACT**

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There is no direct fiscal impact associated with approval of the DA. However, to the extent the DA facilitates the Project's development, the Project would have a fiscal impact consistent with other quality downtown residential projects including new property taxes, building permit/plan check fees, and potential increased sales tax by expanding the downtown residential base.

## **ENVIRONMENTAL REVIEW**

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On June 14, 2022, the City Council adopted a Sustainable Communities Environmental Assessment and Mitigation Monitoring and Reporting Program in accordance with Public Resources Code Section 21155(b) that evaluated the potential environmental effects of the Project ("SCEA"), and determined the Project would not have a significant effect on the environment with implementation of the identified mitigating measures. The DA would lock-in the Project's entitlements and would not modify or revise the Project, and thus

would not create any new significant environmental effects or a substantial increase in the severity of previously identified significant effects in the SCEA.

### **CAMPAIGN DISCLOSURE**

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In accordance with Council direction pursuant to the adopted City Campaign Finance Ordinance, the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, subcontractors and any person or entity with 10% interest or more in the company proposed for contract in this Agenda Item Report is attached as Exhibit 3.

### **ALTERNATIVES**

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**Alternative 1:** Approve the approving the DA. This Alternative would secure the Project's current entitlements and fee structure for six years;

**Alternative 2:** Do not approve the Ordinance. This Alternative would cause the Project to lose its entitlements on June 14, 2024. Per GMC Section 30.41.015 the applicant could request a one-year time extension of the Project approvals if certain findings are met. Upon the expiration of the Project entitlements, the applicant would have to re-entitle a new project taking it through the complete City entitlement process including design review and CEQA.

**Alternative 3:** The City Council may consider any other alternative not proposed by staff.

### **ADMINISTRATIVE ACTION**

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Mark Berry, Deputy Director of Community Dev/Economic Dev

**Approved by:**

Roubik R. Golanian, P.E., City Manager

### **EXHIBITS / ATTACHMENTS**

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Exhibit 1      Development Agreement

Exhibit 2      Planning Commission Recommendation

Exhibit 3 Campaign Finance Disclosure