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Via Email

February 10, 2023

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Leroy Aleman, Commissioner
Mary-Kate Stoeber, Commissioner
Dirk Voss, Commissioner
Chris Wagstaff, Commissioner
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Re: Comment on the PODS Logistics Center (Development Permit No. 22-4)

Dear Honorable Members of the Planning Commission and Ms. Villagomez:

I am writing on behalf of **Supporters Alliance for Environmental Responsibility (“SAFER”)** regarding the Initial Study and Mitigated Negative Declaration (“MND”) prepared for the proposed 60,000 square-foot warehouse facility to be located on the 4.85-acre property on the northeast corner of Calle De Los Romos and 19th Avenue (APN No. 666-360-017) in the City of Desert Hot Springs (“Project.”) The MND and Project are scheduled to be considered by the Planning Commission on February 14, 2023. Please include these comments on the administrative record for this matter.

After reviewing the MND, it is evident that it is inadequate and that it fails as an informational document. Specifically, there is substantial evidence of a fair argument that the Project may have significant, unmitigated adverse environmental impacts. Therefore, CEQA requires that the City of Desert Hot Springs (“City”) prepare an environmental impact report (“EIR”) for the Project, pursuant to the California Environmental Quality Act (“CEQA”), Public Resources Code section 21000, et seq. SAFER respectfully requests that you deny approval of the MND and instead direct the City’s Planning Division to prepare an EIR for the Project.

I. LEGAL STANDARD

As the California Supreme Court has held, “[i]f no EIR has been prepared for a nonexempt project, but substantial evidence in the record supports a fair argument that the project may result in significant adverse impacts, the proper remedy is to order preparation of an EIR.” (*Communities for a Better Env’t v. South Coast Air Quality Mgmt. Dist.* (2010) 48 Cal.4th 310, 319-320 (*CBE v. SCAQMD*) (citing *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal.3d 68, 75, 88; *Brentwood Assn. for No Drilling, Inc. v. City of Los Angeles* (1982) 134 Cal.App.3d 491, 504–505).) “Significant environmental effect” is defined very broadly as “a substantial or potentially substantial adverse change in the environment.” (Pub. Res. Code (“PRC”) § 21068; *see also* 14 CCR § 15382.) An effect on the environment need not be “momentous” to meet the CEQA test for significance; it is enough that the impacts are “not trivial.” (*No Oil, Inc.*, 13 Cal.3d at 83.) “The ‘foremost principle’ in interpreting CEQA is that the Legislature intended the act to be read so as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language.” (*Communities for a Better Env’t v. Cal. Res. Agency* (2002) 103 Cal.App.4th 98, 109 (*CBE v. CRA*).)

The EIR is the very heart of CEQA. (*Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1214 (*Bakersfield Citizens*); *Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 927.) The EIR is an “environmental ‘alarm bell’ whose purpose is to alert the public and its responsible officials to environmental changes before they have reached the ecological points of no return.” (*Bakersfield Citizens*, 124 Cal.App.4th at 1220.) The EIR also functions as a “document of accountability,” intended to “demonstrate to an apprehensive citizenry that the agency has, in fact, analyzed and considered the ecological implications of its action.” (*Laurel Heights Improvements Assn. v. Regents of Univ. of Cal.* (1988) 47 Cal.3d 376, 392.) The EIR process “protects not only the environment but also informed self-government.” (*Pocket Protectors*, 124 Cal.App.4th at 927.)

An EIR is required if “there is substantial evidence, in light of the whole record before the lead agency, that the project may have a significant effect on the environment.” (PRC § 21080(d); *see also Pocket Protectors*, 124 Cal.App.4th at 927.) In very limited circumstances, an agency may avoid preparing an EIR by issuing a negative declaration, a written statement briefly indicating that a project will have no significant impact thus requiring no EIR (14 CCR § 15371), only if there is not even a “fair argument” that the project will have a significant environmental effect. (PRC §§ 21100, 21064.) Since “[t]he adoption of a negative declaration . . . has a terminal effect on the environmental review process,” by allowing the agency “to dispense with the duty [to prepare an EIR],” negative declarations are allowed only in cases where “the proposed project will not affect the environment at all.” (*Citizens of Lake Murray v. San Diego* (1989) 129 Cal.App.3d 436, 440.)

Mitigation measures may not be construed as project design elements or features in an environmental document under CEQA. The IS/MND must “separately identify and analyze the significance of the impacts . . . before proposing mitigation measures [.]” (*Lotus vs. Department of Transportation* (2014) 223 Cal.App.4th 645, 658.) A “mitigation measure” is a measure designed to minimize a project’s significant environmental impacts, (PRC §

21002.1(a)), while a “project” is defined as including “the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.” (CEQA Guidelines § 15378(a).) Unlike mitigation measures, project elements are considered prior to making a significance determination. Measures are not technically “mitigation” under CEQA unless they are incorporated to avoid or minimize “significant” impacts. (PRC § 21100(b)(3).)

To ensure that the project’s potential environmental impacts are fully analyzed and disclosed, and that the adequacy of proposed mitigation measures is considered in depth, mitigation measures that are not included in the project’s design should not be treated as part of the project description. (*Lotus*, 223 Cal.App.4th at 654-55, 656 fn.8.) Mischaracterization of a mitigation measure as a project design element or feature is “significant,” and therefore amounts to a material error, “when it precludes or obfuscates required disclosure of the project’s environmental impacts and analysis of potential mitigation measures.” (*Mission Bay Alliance v. Office of Community Investment & Infrastructure* (2016) 6 Cal.App.5th 160, 185.)

Where an initial study shows that the project may have a significant effect on the environment, a mitigated negative declaration may be appropriate. However, a mitigated negative declaration is proper *only* if the project revisions would avoid or mitigate the potentially significant effects identified in the initial study “to a point where clearly no significant effect on the environment would occur, and...there is no substantial evidence in light of the whole record before the public agency that the project, as revised, may have a significant effect on the environment.” (PRC §§ 21064.5, 21080(c)(2); *Mejia v. City of Los Angeles* (2005) 130 Cal.App.4th 322, 331.) In that context, “may” means a reasonable possibility of a significant effect on the environment. (PRC §§ 21082.2(a), 21100, 21151(a); *Pocket Protectors*, 124 Cal.App.4th at 927; *League for Protection of Oakland’s etc. Historic Res. v. City of Oakland* (1997) 52 Cal.App.4th 896, 904–05.)

Under the “fair argument” standard, an EIR is required if any substantial evidence in the record indicates that a project may have an adverse environmental effect—even if contrary evidence exists to support the agency’s decision. (14 CCR § 15064(f)(1); *Pocket Protectors*, 124 Cal.App.4th at 931; *Stanislaus Audubon Society v. County of Stanislaus* (1995) 33 Cal.App.4th 144, 150-51; *Quail Botanical Gardens Found., Inc. v. City of Encinitas* (1994) 29 Cal.App.4th 1597, 1602.) The “fair argument” standard creates a “low threshold” favoring environmental review through an EIR rather than through issuance of negative declarations or notices of exemption from CEQA. (*Pocket Protectors*, 124 Cal.App.4th at 928.)

The “fair argument” standard is virtually the opposite of the typical deferential standard accorded to agencies. As a leading CEQA treatise explains:

This ‘fair argument’ standard is very different from the standard normally followed by public agencies in their decision making. Ordinarily, public agencies weigh the evidence in the record and reach a decision based on a preponderance of the evidence. [Citation]. The fair argument standard, by contrast, prevents the lead agency from weighing competing evidence to determine who has a better argument concerning the likelihood or extent of a potential environmental impact.

(Kostka & Zishcke, *Practice Under the California Environmental Quality Act*, §6.37 (2d ed. Cal. CEB 2021).) The Courts have explained that “it is a question of law, not fact, whether a fair argument exists, and the courts owe no deference to the lead agency’s determination. Review is de novo, with a preference for resolving doubts in favor of environmental review.” (*Pocket Protectors*, 124 Cal.App.4th at 928 (emphasis in original).)

For over forty years the courts have consistently held that an accurate and stable project description is a bedrock requirement of CEQA—the *sine qua non* (that without which there is nothing) of an adequate CEQA document:

Only through an accurate view of the project may affected outsiders and public decision-makers balance the proposal’s benefit against its environmental cost, consider mitigation measures, assess the advantage of terminating the proposal (i.e., the “no project” alternative) and weigh other alternatives in the balance. An accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient EIR.

(*County of Inyo v. City of Los Angeles* (1977) 71 Cal.App.3d 185 at 192–93.) CEQA therefore requires that an environmental review document provide an adequate description of the project to allow for the public and government agencies to participate in the review process through submitting public comments and making informed decisions.

Lastly, CEQA requires that an environmental document include a description of the project’s environmental setting or “baseline.” (CEQA Guidelines § 15063(d)(2).) The CEQA “baseline” is the set of environmental conditions against which to compare a project’s anticipated impacts. (*CBE v. SCAQMD*, 48 Cal.4th at 321.) CEQA Guidelines section 15125(a) states, in pertinent part, that a lead agency’s environmental review under CEQA:

...must include a description of the physical environmental conditions in the vicinity of the project, as they exist at the time [environmental analysis] is commenced, from both a local and regional perspective. This environmental setting will normally constitute the baseline physical conditions by which a Lead Agency determines whether an impact is significant.

(*See Save Our Peninsula Committee v. County of Monterey* (2001) 87 Cal.App.4th 99, 124-25 (“*Save Our Peninsula*”).) As the court of appeal has explained, “the impacts of the project must be measured against the ‘real conditions on the ground,’” and not against hypothetical permitted levels. (*Id.* at 121-23.)

II. DISCUSSION

a. There Was Insufficient Notice for Consideration of the Project.

Meaningful public participation is a central premise of the CEQA review process. Therefore, a minimum of 20 days is required for public review of a proposed MND. (Pub. Resources Code, § 21091, subd. (b).) However, despite having filed a CEQA notice request with

the City for notification of all such proceedings, SAFER was not notified of the proposed project until a Planning Commission agenda was publicly posted for the February 14, 2023 meeting. In the spirit of informing meaningful public participation, SAFER respectfully requests that you continue any hearings for the proposed Project for a minimum of 20 days to better inform the public's consideration of the proposed MND.

b. There is a Fair Argument that Significant Adverse Impacts Will Result from the Project.

There is a fair argument that the Project will have significant impacts on air quality, greenhouse gas ("GHG") emissions, human health, and biological resources. In fact, the air quality and greenhouse gas ("GHG") impacts of warehouses and other large-scale industrial projects are so severe that the California Attorney General has published guidelines – and an extensive set of proposed mitigation measures – to reduce these significant impacts.¹

The significant adverse environmental impacts which often result from these projects has been highlighted by the increasing prevalence of warehouses and distribution centers throughout the state – and the corresponding health impacts caused by the significant increase in heavy-duty truck trips and their emissions of diesel particulate matter ("DPM"), a known human carcinogen. The MND fails to adequately account for these impacts and incorporates *no mitigation* to reduce the Project's impacts to air quality and GHG emissions.

In addition to the Project's individual impacts, the project will have cumulative impacts when considered together with other existing and reasonably foreseeable projects in the area. CEQA requires analysis of cumulative impacts. CEQA Guidelines section 15130(a). This requirement flows from CEQA section 21083, which requires a finding that a project may have a significant effect on the environment if "the possible effects of a project are individually limited but cumulatively considerable. . . . 'Cumulatively considerable' means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects."

"Cumulative impacts" are defined as "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts." CEQA Guidelines section 15355(a). "[I]ndividual effects may be changes resulting from a single project or a number of separate projects." CEQA Guidelines section 15355(a). In this case, the City should analyze the cumulative impacts of the Project together with other warehouses in the area, as well as the proposed nearby anaerobic digester.

¹ California Department of Justice, "Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act," available: <https://oag.ca.gov/sites/all/files/agweb/pdfs/environment/warehouse-best-practices.pdf>.

III. CONCLUSION

There is a fair argument that the Project will have significant unmitigated impacts which must be further analyzed and mitigated by an EIR. Therefore, we respectfully request that you deny approval of the Project at this time and instead direct staff to prepare an EIR.

We reserve the right to supplement these comments at public hearings concerning the Project. *Galante Vineyards v. Monterey Peninsula Water Management Dist.*, 60 Cal. App. 4th 1109, 1121 (1997). Thank you for considering these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Frankel", written in a cursive style.

Adam Frankel