



**COMMUNITY DEVELOPMENT COMMISSION/
HOUSING AUTHORITY
of the County of Los Angeles**

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Hilda L. Solis
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Commissioners

Monique King-Viehlend
Executive Director

July 03, 2018

The Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVAL OF FUNDING AND ENVIRONMENTAL DOCUMENTATION FOR ONE MULTIFAMILY
AFFORDABLE HOUSING DEVELOPMENT LOCATED IN THE UNINCORPORATED COMMUNITY
OF FLORENCE-FIRESTONE
(DISTRICT 2) (3 VOTE)**

SUBJECT

This letter recommends that your Board approve a loan of up to \$8,150,800 to fund one affordable multifamily rental housing development. The allocation recommended in this action is for the Miramonte Apartments project, selected through the Notice of Funding Availability (NOFA) for Affordable Multifamily Rental Housing, Round 23-A, issued by the Community Development Commission (Commission).

IT IS RECOMMENDED THAT THE BOARD:

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Commission has considered the attached exemption determination for the Miramonte Apartments project, which was prepared by the County of Los Angeles Department of Regional Planning as lead agency; and find that this project will not cause a significant impact on the environment.
2. Approve the loan to the recommended developer, A Community of Friends, using up to \$8,150,800 in Affordable Housing Trust Funds, comprised of County Affordable Housing Funds and Mental Health Housing Funds, for the Miramonte Apartments affordable housing development.
3. Authorize the Executive Director, or designee, to negotiate, execute, and if necessary, amend, or reduce the loan agreement with the recommended developer, A Community of Friends, or their

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

2-D July 3 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

Commission-approved designee, and all related documents, including but not limited to documents to subordinate the loan to construction and permanent financing, and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of the development, following approval as to form by County Counsel.

4. Authorize the Executive Director, or designee, to incorporate, as needed, up to \$1,150,800 in County Affordable Housing Funds and \$7,000,000 in Mental Health Housing Funds into the Commission's approved Fiscal Year 2018-2019 budget on an as-needed basis and included in future Fiscal Year budgets accordingly, for the purposes described herein.

5. Authorize the Executive Director, or designee, to reallocate Commission funding set aside for affordable housing at the time of project funding, as needed and within the project's approved funding limit, in line with project needs, and within the requirements for each funding source.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

As a result of NOFA Round 23-A, a total of 20 projects will be recommended for funding. Eighteen of the NOFA 23-A projects were previously approved by your Board on February 20, 2018, March 13, 2018, May 8, 2018, and June 19, 2018. The Miramonte Apartments project is being recommended to your Board for approval at this time.

The project seeking approval through this action is a multifamily affordable housing development that will provide 44 new housing units, of which 28 units will be set aside for mentally ill households, eight units for homeless households, seven units for general low-income families, and one unit for an onsite manager.

Approval is requested to ensure that the housing development project can meet the upcoming July 9, 2018 deadline for submitting a funding application to the California Department of Housing and Community Development. The Commission will return to your Board at a later date with a separate action to allocate the balance of NOFA Round 23-A funding to the remaining project.

FISCAL IMPACT/FINANCING

The recommended loan will provide up to \$8,150,800 in Affordable Housing Trust Funds. This total, comprised of \$1,150,800 in County Affordable Housing Funds and \$7,000,000 in Mental Health Housing Funds, will be incorporated into the Commission's approved Fiscal Year 2018-2019 budget on an as-needed basis and included in future Fiscal Year budgets accordingly.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 12, 2017, a total of \$64,600,000 in Affordable Housing Trust Funds was made available for NOFA Round 23-A for affordable housing construction activities, which included \$39,600,000 in County Affordable Housing Fund, of which \$9,200,000 are Measure H Funds, and \$25,000,000 in Mental Health Housing Funds.

In response to an overwhelming demand for Mental Health Housing Funds by 10 qualified projects, on January 16, 2018, the Board approved an increase in NOFA funds to \$49,000,000 to ensure these 10 projects would be financed. This action allowed the Commission to backfill the Mental Health Housing Funds shortfall with a combination of Mental Health Housing Funds initially reserved for a future NOFA and \$9,250,000 in available Affordable Housing Trust Funds.

A total of 20 projects were selected through NOFA Round 23-A. Eighteen of the projects were previously approved by your Board on February 20, 2018, March 13, 2018, May 8, 2018, and June 19, 2018. The Miramonte Apartments project is being recommended for approval at this time. The Commission will return to your Board at a later date with a separate action to allocate the balance of NOFA Round 23-A funding to the remaining project.

The loan agreement and related documents will incorporate affordability restrictions, target assisted populations, and contain provisions requiring the developer to comply with all applicable federal, state, and local laws. The loan will be evidenced by a promissory note and secured by a deed of trust, with the term of affordability enforced by a recorded regulatory agreement. Approval of this project will leverage approximately \$9.7 million in additional external funding sources.

The loan agreement and related documents for this project will reflect the respective Special Needs set-asides and indicate that the assisted units will be affordable to households earning no more than 30% of the median income for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for family size, as established by the U.S. Department of Housing and Urban Development. Income targeting may be as high as 35% AMI with reasonable justification provided by the applicant and approved by the Commission. The loan agreement will require that the affordable housing units be set aside for a period of 55 years. Subject to various underwriting requirements, the developer may be required by the Commission or other lenders to create a single asset entity to designate ownership of the project. This “designee” will be a Commission-approved single asset entity created by the developer prior to execution of the loan agreement and all related loan documents.

This letter also recommends that the Executive Director have the authority to reallocate funds set aside for affordable housing development at the time of project funding to better align project funds with available resources. Any reallocation of funds will be made within the project’s approved funding limit, in line with project needs, and within the requirements for each funding source.

ENVIRONMENTAL DOCUMENTATION

The proposed Miramonte Apartments project has been reviewed by the Commission pursuant to the requirements of CEQA.

Miramonte Apartments was determined ministerially exempt from the requirements of CEQA by the County of Los Angeles Department of Regional Planning in accordance with CEQA Guidelines section 15268. The Commission’s consideration of this determination satisfies the requirements of CEQA.

Environmental documentation for the proposed project is enclosed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The requested action will increase the supply of Special Needs and affordable housing units in the County of Los Angeles.

The Honorable Board of Commissioners

7/3/2018

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Monique King-Viehl". The signature is fluid and cursive, with a large, stylized initial "M".

MONIQUE KING-VIEHLAND

Executive Director

MKV:KT:LK:ck

Enclosures



Los Angeles County Department of Regional Planning

Planning for the Challenges Ahead



Amy J. Bodek, AICP
Director

May 29, 2018

TO: David W. Louie, Chair
Elvin W. Moon, Vice Chair
Doug Smith, Commissioner
Laura Shell, Commissioner
Pat Modugno, Commissioner

FROM: Amy J. Bodek, Director

**DIRECTOR'S REPORT: NOTICE OF ACTION ON APPROVAL OF ADMINISTRATIVE HOUSING PERMIT
NO. RPPL 2017009823 AND SITE PLAN REVIEW NO. RPPL 2017009825, PROJECT NO. 2017-006545-(2)
RPC MEETING: JUNE 13, 2018, AGENDA ITEM: 4(a)**

On May 29, 2018, the Director **APPROVED** a request for an **Administrative Housing Permit** application pursuant to County Code Section 22.56.2690 filed for the property indicated below. There is a 20 calendar day appeal period from the date of approval that will end at 5:00 p.m. on June 18, 2018.

Location: 7321 Miramonte Boulevard, Los Angeles

APN: 6021-015-018

Description: Construction of a new three-story affordable housing development with 44 units, which will have seven units set aside for very-low and lower income residents. Twenty-two of the units will be reserved for special needs residents. The proposed apartment development will utilize two off-menu incentives related to a rear yard setback modification for the apartment building and allowing for parking within the side yard setback. The project has been reviewed by the Los Angeles County Community Development Commission (CDC). The project site is located in the C-3 (General Commercial) Zone and within the CG (General Commercial) General Plan Category. The project received a 35 percent density bonus because 20 percent of the base units on the site will be set aside for very-low and lower income residents. The project qualifies for the Statutory Exemption for Ministerial Projects under the California Environmental Quality Act (CEQA), which applies to Administrative Housing Permits.

Pursuant to County Code Section 22.56.2740.B., the Director is required to notify the Commission when an Administrative Housing Permit is approved that consists of the granting of any off-menu incentives. The off-menu incentives approved with the residential project allow for a rear yard setback reduction and allows parking within the side yard setback without a Variance/Yard Modification. The approved project is subject to the Administrative Housing Permit, and the incentives approved with it are not subject to a discretionary review.

Pursuant to Part 5 of Chapter 22.60 of the County Code, and County Code Sections 22.56.2750 and 22.56.2760, the Director's decision may also be called up for review by the Commission during the appeal period. If no appeal is made during this 20 calendar day period, the Director's decision is final.

The basis for which the matter can be called up for review by the Commission are limited to the criteria contained in County Code Section 22.56.2730, and the permissible grounds upon which the Commission may act on an appeal or call for review are limited to the criteria described in County Code Section 22.56.2760.

AJB:MG:MH:aw

c: Chief Deputy Director

att. Findings for approval

DIRECTOR'S FINDINGS AND ORDER:

PROJECT DESCRIPTION: The applicant requests an affordable apartment housing project with 44 total units. There will be nine studio units, twenty units with one bedroom, and fifteen units with three bedrooms. Twenty-two of the units will be reserved for special needs individuals and there will be one unrestricted manager's unit.

The development also includes amenities and support services such as an indoor community area, case management offices, tot lot, community garden, laundry facilities, and deck areas.

ENTITLEMENTS REQUESTED: The applicant requests approval of an administrative Affordable Housing Permit pursuant to County Code Section 22.56.2690 for a 44-unit affordable apartment development with a 35% density bonus, a 20% set-aside for very-low and lower income families, and to contain three stories, pursuant to County Code Section 22.52.1840. The project is proposed to be 100% affordable, except for the one manager's unit. Parking standards are satisfied pursuant to Assembly Bill AB744. Four of the units will be reserved for very-low income special needs residents, eighteen of the units will be for lower income special needs residents, twenty-one of the units will be for lower income residents, and there will be one unrestricted manager's unit.

FINDINGS:

1. **LOCATION.** The proposed development is located at the existing physical address of 7321 Miramonte Boulevard, Los Angeles, in the unincorporated community of Florence-Firestone, within the Compton-Florence Zoned District. The subject property is a flat parcel totaling approximately 28,560 square feet or 0.66 acres in net lot area.
2. **EXISTING LAND USES.** The property is currently developed with a general public use, stand-alone street-level parking lot. According to the earliest aerial photography available, this property appears to have been a parking lot since at least 2006. Since it has been a parking lot for at least the past five years, it is not subject to Government Code 65915 regarding replacement units. This parking lot is proposed to be demolished and is not needed to serve any commercial property.
3. **EXISTING ZONING AND GENERAL PLAN CATEGORIES.** The project site is on the parcel with Assessor's tax identification number, APN 6021-015-018. The property is zoned C-3 (General Commercial) and is classified CG – General Commercial within the Countywide General Plan.

The project site is located within the Florence-Firestone Community Standards District ("CSD") with development standards in Section 22.44.138. Both the CSD and the plan category permits 50 dwelling units per acre as the base density.

4. CASE HISTORY. There are several previous cases on the subject property, which are as follows:
- CU147 (Conditional Use Permit) and VA223 (Variance) approved the continuation of a Head Start school on church property with parking modifications.
 - CP88046 (Conditional Use Permit), PK88046 (Parking Permit), and VA88046 (Variance) approved the continuation of a church and Head Start school with shared parking and modification of development standards.
 - CP89509 (Conditional Use Permit) approved a new church building at the site of an existing church and Head Start school.
 - CP97179 (Conditional Use Permit) approved a parking lot.
 - RCUP201200129 (Conditional Use Permit) denied the renewal of CP97179 for the continuation of an existing parking lot due to inactivity.
 - RCOC2017009826 (Certificate of Compliance) approved for parcel with Assessor's Parcel Number 6021-015-018, recorded on February 7, 2018 (instrument number 20180127905, unconditional).

ZONING AND GENERAL PLAN CONSISTENCY. The County's General Plan designates the project site as CG – General Commercial. The General Plan category is consistent with the Zoning category of C-3 (General Commercial). Pursuant to the General Plan, the purpose of the CG category is to allow for multifamily residences. A development strategy of the General Plan is to emphasize infill development to encourage the supply of low income housing throughout the urban area. Residential development is permitted by the Housing Element and the subject property is identified as an underutilized Housing Adequate Site with the potential of housing development. The Housing Element identifies a need to plan for denser, more compact housing types, and more affordable housing units. The General Plan also promotes a jobs-housing balance by encouraging increasing opportunities for people to work and live in close proximity, and reduce long commutes that are costly both economically and environmentally.

Pursuant to Section 22.44.138 of Title 22 of the Los Angeles County Code (County Code), premises in Zone C-3 may be permitted for an apartment use subject to a Director's Review.

5. The Director finds that the proposed affordable housing development is consistent with the land use designation and zoning which allows for apartment use and parking.
6. **ZONING ORDINANCE AND DEVELOPMENT STANDARDS COMPLIANCE.** Through the Administrative Housing Permit process, two (2) off-menu incentives may be requested based on the proposed set-aside type and percentage in addition to an on-menu incentive of a maximum density bonus of 35%. Such incentives may be deviations from general Code development standards as long as the Findings per Assembly Bill AB2501 can be met.

The following one (1) on-menu incentive and two (2) off-menu incentives are being requested:

ON-MENU INCENTIVE

Density

Pursuant to Section 22.52, Part 17 of the County Code, a 35% density bonus may be requested based on the affordability level of the project. Based on the size of the property, the base density is 33 units. With a 35% on-menu density bonus allowed, an additional 12 units may be requested. The project is proposing 11 additional units, for a total count of 44 units. Per AB2501, all fractions are rounded up to the next whole number.

OFF-MENU INCENTIVES

Parking in the side yard:

Pursuant to Section 22.44.138 of the County Code, the required side yard setback is 5 feet. The proposed apartment building proposes parking within this setback of 5 feet on the south side of the property. The side yard on the north side of the property observes this 5 feet required setback.

Rear yard setback:

Pursuant to Section 22.44.138 of the County Code, the required rear yard setback is 15 feet. The proposed apartment building proposes a rear yard setback of 5 feet.

The project site is located within the Florence-Firestone Community Standards District ("CSD").

All other applicable development standards of Title 22 of the County Code would need to be met by the proposed project. The proposed height of the apartment building is 41 feet and 3 inches, the transformer located within the required front yard is 3.5 feet in height, and the CMU wall along the side and rear yard setbacks is 6 feet in height, which satisfy Code requirements.

7. NEIGHBORHOOD IMPACT/LAND USE COMPATIBILITY. The General Plan Housing Element strongly supports higher density infill development and critically needed affordable housing to promote diversity in housing options to serve the housing need. The project is also consistent with the Zoning Code as allowed by the Administrative Housing Permit. The subject site is surrounded by higher density residential zones and commercial zones, which is consistent with the General Plan's encouragement of a jobs-housing balance and to promote shorter commute times. The site is surrounded by high-density residential uses and has access to County-maintained public streets.

The project site is located in an urbanized area. No degradation of natural features will occur and no sensitive resources are located on the site. Rather, the housing project eliminates a blighted unused parking lot in the middle of a mixed used neighborhood and provides much needed affordable housing in the community.

8. **SPECIAL NEEDS HOUSING DEVELOPMENT.** Twenty-two units within this affordable housing development will be designated for special needs individuals. Pursuant to Section 51312 of the Health and Safety Code, "special needs" is defined as persons identified as having special needs relating to mental health, physical disabilities, developmental disabilities, or the risk of homelessness.
9. Pursuant to Section 22.52.1840, to be eligible for on-menu incentives, the project site must be located outside a Very High Fire Hazard Severity Zone, within an area that is served by public sewer and water systems, not within a significant ecological area (SEA), not within an environmentally-sensitive habitat area, and not on land having a natural slope of 25% or more. The project site meets these criteria.
10. Pursuant to Section 22.52, Part 20 of the Tree Planting Ordinance and based on the lot size, at least six trees are required. In lieu of the tree shading requirements, cool pavement is proposed. All other applicable development standards of this section must also be followed.
11. Four oak tree/oak tree protected zones are indicated to be present on the property. No activity is proposed within the protected zone of any oak tree. This approval does not grant any impacts on oak trees of Ordinance size. Any impacts within oak tree protected zones require an Oak Tree Permit.
 - a. Protected zone shall mean that area within the dripline of an oak tree and extending therefrom to a point at least 5' outside the dripline, or 15' from the trunks of a tree, whichever distance is greater.
12. Grading associated with this project is 1,000 cubic yards of cut and no fill. This includes 1,000 cubic yards of export.
13. The property is not listed in the California Register of Historical Resources.
14. **COUNTY DEPARTMENT COMMENTS AND RECOMMENDATIONS.** The Los Angeles Department of Public Works provided a conceptual approval and conditions for the project, which are attached.

All other required agencies must also approve the project.
15. **OTHER AGENCY COMMENTS AND RECOMMENDATIONS.**

The Golden State Water Company provided a water will-serve letter for the subject property indicating their capability to service the subject property.

16. **PARKING DEVELOPMENT STANDARDS.** Pursuant to Assembly Bill AB744, the units designated for special needs individuals require 0.3 parking spaces per unit, inclusive of accessible and guest parking, while the lower income affordable units require 0.5 parking spaces per unit. Twenty parking spaces are required while 21 parking spaces are proposed. Proposed parking sufficiently serves the development and no parking reduction is proposed. All parking spaces will be uncovered. All spaces are to be standard spaces.

The site contains 0.66 net acres, which is adequate in size to accommodate all the necessary development standards and features.

17. **BICYCLE PARKING DEVELOPMENT STANDARDS.** Pursuant to Section 22.52.1225, one short-term bicycle parking space per each 10 dwelling units and one long-term space per each two dwelling units are required. A total of four short-term and twenty-two long-term bicycle parking spaces are required while five short-term and twenty-four long-term spaces are provided. Bicycle parking spaces shall be located close to entrances, visible from public areas, and located in well-illuminated areas.

18. **ADEQUATE STREETS.** The proposed site is adequately served by highways and streets of sufficient width, and improved as necessary to carry the kind and quantity of traffic such use would generate and by other public or private service facilities as are required. The site takes access from Miramonte Boulevard. The driveway is of sufficient width and would provide adequate access and circulation for the project. This traffic circulation is conceptually approved by Public Works.

HOUSING PERMIT – SPECIFIC FINDINGS

19. **DEVELOPMENT STANDARDS.** The proposed site is adequate in size and shape to accommodate the yards, walls/fences, parking and loading facilities, bicycle parking, open space, landscaping, and other development features prescribed in Title 22 (Zoning Code), or as is otherwise required in order to integrate said use with the uses in the surrounding area. The project would substantially comply with the development standards of the Zoning Code, and those deviations that would be granted by the housing permit would aid in providing critically needed affordable housing.
20. **COMPATIBILITY WITH SURROUNDINGS.** The requested use at the location will not adversely affect the health, peace, comfort, or welfare or persons residing or working in the surrounding area; be detrimental to the use, enjoyment, or valuation of property of other persons located in the vicinity of the site, or jeopardize, endanger, or otherwise constitute a menace to the public health, safety, or general welfare. The development of the 44-unit apartment project would be consistent with the surrounding area and would be adequately served by utilities and infrastructure.
21. **NEIGHBORHOOD COMPATIBILITY.** The surrounding neighborhood is already zoned and developed with varied residential and commercial developments. The proposed

project has been designed to be complementary to the surrounding area in terms of land use patterns and design.

The project is adequately buffered from the adjacent properties by walls/gates. The 6 feet high perimeter wall along the south, west, and north side buffers the development from the adjacent neighbors.

The existing vacant parking lot on the subject property has no setback requirements. Thus, the proposal of allowing parking within the side yard setback along the south side of the property does not exacerbate the current situation.

The adjacent property to the west is within an existing commercial zone and has an existing commercial use, with no setback requirements. The proposed apartment building will be located within the required rear yard setback, 5 feet from the west property line. Therefore, allowing the proposed apartment building within the rear yard setback is compatible.

No wall is proposed facing Miramonte Boulevard which encourages increased pedestrian activity, allowing pedestrians an aesthetically pleasing development to view. The security pedestrian gate proposed behind the front yard setback area allows the residents of the development some privacy and security. This promotes greater general welfare and public safety in the area and gives utility to a site that is current vacant.

22. HOUSING NEEDS. The proposed project will assist in satisfying housing needs, and is viable in terms of continuing availability to meet such housing needs. A covenant shall be filed with the County restricting the rental of the residential units to very-low and lower income families for a period of 55 years. The Community Development Commission (CDC) will conduct monitoring to ensure compliance with the covenant.

23. AGENCY REVIEW. The applicant provided their real estate pro forma to the Community Development Commission (CDC) for review and CDC has cleared the project.

BASED ON THE FOREGOING, THE DIRECTOR CONCLUDES THAT THE FOLLOWING FINDINGS CAN BE MADE FOR THE DIRECTOR'S REVIEW OF THE APARTMENT DEVELOPMENT:

- A. That the use, development of land and/or application of development standards is in substantial compliance with all applicable provisions of Title 22;
- B. That the use, development of land and/or application of development standards, when considered on the basis of the suitability of the site for the particular use or development intended, is so arranged as to avoid traffic congestion, provide for the safety and convenience of bicyclists and pedestrians, including children, senior

citizens, and persons with disabilities, ensure the protection of public health, safety and general welfare, prevent adverse effects on neighboring property and is in conformity with good zoning practice; and

- C. That the use, development of land and/or application of development standards are suitable from the standpoint of functional developmental design.

BASED ON THE FOREGOING, THE DIRECTOR CONCLUDES THAT THE FOLLOWING FINDINGS CAN BE MADE FOR THE INCENTIVES REQUESTED FOR THE HOUSING PERMIT:

- A. That the incentives do result in identifiable and actual cost reductions to provide for affordable housing costs or affordable rents for the targeted units; and
- B. That the incentives would not have a specific adverse impact upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources.

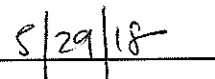
THEREFORE, the information submitted by the applicant substantiates the required findings for a Director's Review as set forth in Section 22.56.1690 of Title 22 of the Los Angeles County Code and for the incentives of an Administrative Housing Permit as set forth in Assembly Bill AB 2501. The project is approved.

BY:



Alice Wong
Principal Planner
Department of Regional Planning
County of Los Angeles

DATE:



5/29/18