



# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

July 30, 2019

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

1-D July 30, 2019

  
CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Commissioners:

**APPROVAL OF FUNDING AND ENVIRONMENTAL DOCUMENTATION FOR TWO AFFORDABLE  
HOUSING DEVELOPMENTS LOCATED IN THE CITY OF SANTA MONICA AND THE CITY OF  
LOS ANGELES  
(DISTRICTS 2 AND 3) (3 VOTES)**

**SUBJECT**

This letter requests that your Board approve loans totaling up to \$6,520,000 to fund the development of two affordable housing projects that applied through a Notice of Funding Availability (NOFA) - Mental Health Housing Program: Alternative Housing Models, issued by the Los Angeles County Development Authority (LACDA) in partnership with the Los Angeles County Department of Mental Health (DMH).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the LACDA has considered the attached exemption determination for The Nest project, which was prepared by the City of Santa Monica as lead agency, and find that this project will not cause significant impact on the environment.
2. Acting as the responsible agency pursuant to CEQA, certify that the LACDA has considered the attached exemption determination for the 410 E. Florence Street project, which was prepared by the City of Los Angeles as lead agency, and find that this project will not cause significant impact on the environment.
3. Approve loans to the recommended developers identified in Attachment A, using up to a total of \$6,520,000 in Mental Health Housing Program (MHHP) funds for the two affordable housing

developments identified in Attachment A.

4. Authorize the Executive Director, or designee, to negotiate, execute, and if necessary, amend, or reduce the loan agreements with the recommended developers identified in Attachment A, or their LACDA-approved designees, and all related documents, including but not limited to documents to subordinate loans to construction and permanent financing and any intergovernmental, interagency, or inter-creditor agreements necessary for the implementation of each development, following approval as to form by the County Counsel.

5. Authorize the Executive Director, or designee, to incorporate up to \$6,520,000 in MHHP Funds into the LACDA's approved Fiscal Year 2019-2020 budget, and future Fiscal Year budgets, as needed, for the purposes described herein.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Through the October 3, 2017 and January 16, 2018 Board Motions, in Fiscal Year 2017-18, DMH allocated \$50 million of Mental Health Services Act funding for the development of permanent affordable housing for individuals and families that are homeless and have a serious mental illness. This funding was administered County-wide through the LACDA's NOFA, as MHHP Funds, and used strategically to leverage Low Income Housing Tax Credit (LIHTC) financing to develop permanent supportive housing.

Because of a strong interest by DMH stakeholders to fund alternative housing models that use sources other than LIHTC financing, MHHP Funds were allocated for this specific purpose, with the goal of developing housing units at a faster pace and with lower development costs, compared to traditional affordable housing projects that use LIHTC financing. As a result, on March 26, 2019, the LACDA, in partnership with DMH, made available up to \$11.5 million in capital funding for such projects.

In response to the NOFA, on May 7, 2019, the LACDA received two project applications. These proposed projects will provide a total of 59 supportive housing units, including one on-site manager's unit.

The NEST project, proposed by CCSM, is located in the City of Santa Monica, which is a city with limited permanent supportive housing and high rental rates. The project is a shared housing model that will serve Transition Aged Youth with a mental illness. The project will consist of a three-story structure with eight two-bedroom units. The project has funding commitments from the County's Housing Innovation Challenge (\$1,000,000) and United Way's Home For Good Funders Collaborative (\$350,000). This project is requesting \$1,520,000 in NOFA funds.

The 410 E. Florence Street project, proposed by Unique Construction, is a five-story building, with 51 supportive housing units that will serve homeless individuals with a mental illness. The project will include a mix of studio units, one-bedroom units, and one two-bedroom manager's unit. The project has funding commitments from a private lender (\$3,778,000) and HCIDLA-HHH funds (\$7,000,000). This project is requesting \$5,000,000 in NOFA funds.

Both projects will be receiving supportive services from DMH and are expected to be completed and occupied within 24 months of execution of a loan agreement.

The loans for each project will include the following terms: 3% interest rate with a 20-year term and

annual payments based on 50% of residual receipts. The loan agreements and related documents will incorporate affordability restrictions, target assisted populations, and contain provisions requiring the developers to comply with all applicable federal, state, and local laws. Each 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 these projects will leverage approximately \$14,846,000 in additional external funding sources.

Approval is requested to ensure that these housing development projects are able to fully assemble financing to begin construction. The Nest Project is anticipated to begin construction in September 2020 complete construction in October 2021. The 410 Florence Street project is anticipated to begin construction in October 2019 and complete construction in March 2021.

### **FISCAL IMPACT/FINANCING**

The recommended loans to the developers identified in Attachment A will provide a total amount of up to \$6,520,000 in capital funds from MHHP funds. It is recommended that new project funding, in the amount of \$6,520,000, be incorporated into the LACDA's approved Fiscal Year 2019-2020 budget, and future Fiscal Year budgets, on an as-needed basis.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The loan agreements and related documents for these projects will reflect the respective population 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. The loan agreements will require that the affordable housing units be set aside for a period of no less than 20 years. Subject to various underwriting requirements, each developer may be required by the LACDA or other lenders to create a single asset entity to designate ownership of the project. These "designees" will be LACDA-approved single asset entities created by the developers prior to execution of the loan agreements and all related loan documents.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed projects identified in Attachment A have been reviewed by the LACDA pursuant to the requirements of CEQA.

The Nest project was determined to be ministerially exempt from the requirements of CEQA by the City of Santa Monica in accordance with CEQA Guidelines Section 15268. The LACDA's consideration of this determination satisfies the requirements of CEQA.

The 410 E. Florence Street project was determined exempt from CEQA by the City of Los Angeles in accordance with CEQA Guidelines Section 15332. The LACDA's consideration of this determination satisfies the requirements of CEQA.

Environmental documentation for these proposed projects are included in Attachment B.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The requested actions will increase the supply of Special Needs and affordable housing units in the

The Honorable Board of Commissioners

7/30/2019

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County of Los Angeles.

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:LK:fp

Enclosures

## ATTACHMENT A

### NOFA MENTAL HEALTH HOUSING FUNDS: ALTERNATIVE HOUSING MODELS

Developer	Project Name	Project Address	Zip Code	Sup. Dist.	Uninc.	SPA	APN	Project Type	LACDA Assisted - Low Inc. 30% AMI	Total Project Units	NOFA Funding Request	Total Dev. Cost	Other Funds Leveraged
Community Corporation of Santa Monica	The Nest	2012 19th Street, Santa Monica	90404	3	No	5	4274-017-011	Shared Housing	16	8	\$1,520,000	\$5,587,379	\$4,067,379
Unique Construction Development	410 E. Florence St.	410 E. Florence Avenue, Los Angeles	90003	2	No	6	6022-022-011	Multifamily Rental	50	51	\$5,000,000	\$15,778,656	\$10,778,656
									<b>TOTAL</b>		<b>\$6,520,000</b>	<b>\$21,366,035</b>	<b>\$14,846,035</b>

**ATTACHMENT B**  
**ENVIRONMENTAL DOCUMENTATION**

## Notice of Exemption

Appendix E

To: Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

County Clerk

County of: Los Angeles  
12400 Imperial Highway

From: (Public Agency): City of Santa Monica City Planning  
1685 Main Street, Room 212  
Santa Monica, CA 90401

(Address)

Project Title: 2012 19th Street Affordable Housing

Project Applicant: Community Corporation of Santa Monica

Project Location - Specific:

2012 19th Street, Santa Monica, CA

Project Location - City: Santa Monica

Project Location - County: Los Angeles

Description of Nature, Purpose and Beneficiaries of Project:

The project consists of the development of a two-story, 8 unit 100% permanent supportive housing development for young adults (18-24) in need of supportive housing due to unstable circumstances (homelessness, aging out of foster care, etc). The project would provide 8 two bedroom units.

Name of Public Agency Approving Project: City of Santa Monica

Name of Person or Agency Carrying Out Project: Community Corporation of Santa Monica

Exempt Status: (check one):

- ☒ Ministerial (Sec. 21080(b)(1); 15268);  
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));  
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));  
☐ Categorical Exemption. State type and section number: \_\_\_\_\_  
☐ Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

The project would not require discretionary approval as it is an affordable housing project that is administratively approved. Therefore, the project is exempt from CEQA per Section 15268 of the CEQA Guidelines.

Lead Agency

Contact Person: Rachel Kwok

Area Code/Telephone/Extension: 310 458 8341

If filed by applicant:

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: [Signature]

Date: 5/2/19

Title: Environmental Planner

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.

Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

**DEPARTMENT OF  
CITY PLANNING**

**CITY PLANNING COMMISSION**

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RENEE DAKE WILSON  
VICE-PRESIDENT

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VAHID KHORSAND  
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COMMISSION OFFICE MANAGER  
(213) 978-1300

**CITY OF LOS ANGELES  
CALIFORNIA**



ERIC GARCETTI  
MAYOR

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DEPUTY DIRECTOR  
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<http://planning.lacity.org>

**DIRECTOR'S DETERMINATION**

**TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM**

February 6, 2018

**Applicant / Representative**

Cody Snyder  
LINC Housing Corporation  
555 E. Ocean Blvd. Ste. 900  
Long Beach, CA 90802

**Owner**

C.L. and Irene Taylor  
3910 Welland Avenue  
Los Angeles, CA 90008

**Case No.** DIR-2017-4059-TOC

**CEQA:** ENV-2017-4060-CE

**Specific Plan Subarea:** South Los Angeles Alcohol Sales

**Location:** 410 – 432 East Florence Avenue

**Council District:** 9 – Curren D. Price, Jr.

**Community Plan Area:** Southeast Los Angeles

**Land Use Designation:** General Commercial

**Zone:** C2-1VL

**Legal Description:** Lots FR 12, 13, 14, 15 of Block A  
of Corlette Tract

**Last Day to File** February 21, 2018  
**an Appeal:**

**DETERMINATION – Transit Oriented Communities Affordable Housing Incentive Program**

Pursuant to the Los Angeles Municipal Code (LAMC) Section 12.22 A.31, I have reviewed the proposed project and as the designee of the Director of Planning, I hereby:

**DETERMINED**, based on the whole of the administrative record, that the Project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines, Article 19, Section 15332 (Class 32), and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines, Section 15300.2 applies.

**APPROVE a Transit Oriented Communities Compliance Review** for a project totaling 51 dwelling units, reserving 50 units for Extremely Low Income Household occupancy for a period of 55 years, with the following requested incentives:



1. **Yard/Setback.** A 30 percent decrease in the northern side yard setback, allowing 5 feet 8 inches in lieu of the minimum 8 feet required in the C2-1VL zone; and a 30 percent decrease in the eastern rear yard setback, allowing 11 feet 11 inches in lieu of the minimum 17 feet required in the C2-1VL zone;
2. **Height.** An 11-foot increase in the building height, allowing 56 feet in lieu of the required 45 feet, per the C2-1VL zone;
3. **Open Space.** A 25 percent decrease from the open space requirement, allowing 3,844 square feet in lieu of 5,125 square feet of open space.

The project approval is based upon the attached Findings, and subject to the attached Conditions of Approval:

## CONDITIONS OF APPROVAL

1. **Site Development.** Except as modified herein, the project shall be in substantial conformance with the plans and materials submitted by the Applicant, stamped "Exhibit A," and attached to the subject case file. No change to the plans will be made without prior review by the Department of City Planning, West/South/Coastal Project Planning Division, and written approval by the Director of Planning. Each change shall be identified and justified in writing. Minor deviations may be allowed in order to comply with the provisions of the Los Angeles Municipal Code or the project conditions.
2. **Residential Density.** The project shall be limited to a maximum density of 51 residential units.
3. **Affordable Units.** 50 units shall be reserved for Extremely Low Income Households, as defined in Section 50106 of the California Health and Safety Code.
4. **Changes in Restricted Units.** Deviations that increase the number of restricted affordable units or that change the composition of units or change parking numbers shall be consistent with LAMC Section 12.22-A.25.
5. **Housing Requirements.** Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of the Los Angeles Housing and Community Investment Department (HCIDLA) to make fifty (50) units for Extremely Low Income Households for rental as determined to be affordable to such households by HCIDLA for a period of 55 years. Enforcement of the terms of said covenant shall be the responsibility of HCIDLA. The Applicant will present a copy of the recorded covenant to the Department of City Planning for inclusion in this file. The project shall comply with any monitoring requirements established by the HCIDLA. Refer to the Transit Oriented Communities Affordable Housing Incentive Program Background section of this determination.
6. **Floor Area Ratio (FAR).** The maximum floor area ratio for the project shall be 3.75:1.
7. **Setbacks.** The project qualifies for a 30 percent reduction in the required width or depth of two individual yards or setbacks. The northerly side yard setback shall be no less than 5 feet 8 inches. The easterly rear yard setback shall be no less than 11 feet 11 inches.
8. **Height.** The project shall be limited to five-stories and 56 feet in height.
9. **Open Space.** The project qualifies for a 25 percent reduction in the required amount of open space and shall provide a minimum of 3,844 square feet of open space.
10. **Automobile Parking.** No automobile parking is required.
11. **Bicycle Parking.** Bicycle parking shall be provided consistent with LAMC 12.21 A.16.
12. **Landscaping.** The landscape plan shall indicate landscape points for the project equivalent to **10% more than otherwise required** by LAMC 12.40 and Landscape Ordinance Guidelines "O". All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped, including an automatic irrigation system, and maintained in accordance with a landscape plan prepared by a licensed landscape architect or licensed architect, and submitted for approval to the Department of City Planning.

## Administrative Conditions

13. **Final Plans.** Prior to the issuance of any building permits for the project by the Department of Building and Safety, the applicant shall submit all final construction plans that are awaiting issuance of a building permit by the Department of Building and Safety for final review and approval by the Department of City Planning. All plans that are awaiting issuance of a building permit by the Department of Building and Safety shall be stamped by Department of City Planning staff "Plans Approved". A copy of the Plans Approved, supplied by the applicant, shall be retained in the subject case file.
14. **Notations on Plans.** Plans submitted to the Department of Building and Safety, for the purpose of processing a building permit application shall include all of the Conditions of Approval herein attached as a cover sheet, and shall include any modifications or notations required herein.
15. **Approval, Verification and Submittals.** Copies of any approvals, guarantees or verification of consultations, review of approval, plans, etc., as may be required by the subject conditions, shall be provided to the Department of City Planning prior to clearance of any building permits, for placement in the subject file.
16. **Code Compliance.** Use, area, height, and yard regulations of the zone classification of the subject property shall be complied with, except where granted conditions differ herein.
17. **Department of Building and Safety.** The granting of this determination by the Director of Planning does not in any way indicate full compliance with applicable provisions of the Los Angeles Municipal Code Chapter IX (Building Code). Any corrections and/or modifications to plans made subsequent to this determination by a Department of Building and Safety Plan Check Engineer that affect any part of the exterior design or appearance of the project as approved by the Director, and which are deemed necessary by the Department of Building and Safety for Building Code compliance, shall require a referral of the revised plans back to the Department of City Planning for additional review and sign-off prior to the issuance of any permit in connection with those plans.
18. **Indemnification and Reimbursement of Litigation Costs.**  
Applicant shall do all of the following:
  - (i) Defend, indemnify and hold harmless the City from any and all actions against the City relating to or arising out of, in whole or in part, the City's processing and approval of this entitlement, including but not limited to, an action to attack, challenge, set aside, void, or otherwise modify or annul the approval of the entitlement, the environmental review of the entitlement, or the approval of subsequent permit decisions, or to claim personal property damage, including from inverse condemnation or any other constitutional claim.
  - (ii) Reimburse the City for any and all costs incurred in defense of an action related to or arising out of, in whole or in part, the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages, and/or settlement costs.

- (iii) Submit an initial deposit for the City's litigation costs to the City within 10 days' notice of the City tendering defense to the Applicant and requesting a deposit. The initial deposit shall be in an amount set by the City Attorney's Office, in its sole discretion, based on the nature and scope of action, but in no event shall the initial deposit be less than \$50,000. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).
- (iv) Submit supplemental deposits upon notice by the City. Supplemental deposits may be required in an increased amount from the initial deposit if found necessary by the City to protect the City's interests. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).
- (v) If the City determines it necessary to protect the City's interest, execute an indemnity and reimbursement agreement with the City under terms consistent with the requirements of this condition.

The City shall notify the applicant within a reasonable period of time of its receipt of any action and the City shall cooperate in the defense. If the City fails to notify the applicant of any claim, action, or proceeding in a reasonable time, or if the City fails to reasonably cooperate in the defense, the applicant shall not thereafter be responsible to defend, indemnify or hold harmless the City.

The City shall have the sole right to choose its counsel, including the City Attorney's office or outside counsel. At its sole discretion, the City may participate at its own expense in the defense of any action, but such participation shall not relieve the applicant of any obligation imposed by this condition. In the event the Applicant fails to comply with this condition, in whole or in part, the City may withdraw its defense of the action, void its approval of the entitlement, or take any other action. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including its inherent right to abandon or settle litigation.

For purposes of this condition, the following definitions apply:

"City" shall be defined to include the City, its agents, officers, boards, commissions, committees, employees, and volunteers.

"Action" shall be defined to include suits, proceedings (including those held under alternative dispute resolution procedures), claims, or lawsuits. Actions includes actions, as defined herein, alleging failure to comply with any federal, state or local law.

Nothing in the definitions included in this paragraph are intended to limit the rights of the City or the obligations of the Applicant otherwise created by this condition.

## PROJECT BACKGROUND

The project site is located at the southeast corner of Florence Avenue and Towne Avenue in the Southeast Los Angeles Community Plan area. The Community Plan Map designates the site for General Commercial use with corresponding zones of CR, C2, C4, and RAS3. The property is zoned C2-1VL and is limited to a Floor Area Ratio of 1.5:1. Buildings located in the 1VL Height District are limited to three stories and 45 feet in height. The exception for a building in the 1VL Height District comprised of only residential uses is only limited to height and not the number of stories. This exemption applies to the proposed residential project.

The project site consists of four tied lots totaling approximately 14,369 square feet, with 132 feet of frontage along Florence Avenue and 110 feet of frontage on Towne Avenue. The site is currently improved with a one-story commercial structure and storage yard. There are no known designated historic resources or cultural monuments on the subject site. The subject site has been used as a construction equipment and tool storage yard.

Surrounding properties are zoned R2-1, [Q] C2-1, C2-1VL, [Q] CM-1, and developed with commercial establishments, multi-family and single-family dwellings. Properties to the north across Florence Avenue are developed with retail stores and an automobile dealership. Adjoining properties to the south are developed with one-story single family structures in the R2-1 zone. The property to the west across from Towne Avenue is a parking lot and service areas for a supermarket. Immediately abutting the subject site to the east is an auto repair body shop in the C2-1VL zone.

The property is also located in the Los Angeles State Enterprise Zone and a City of Los Angeles Transit Priority Area, as the subject site is located within 675 feet of the Florence Avenue and Avalon Boulevard bus station, which serves multiple metro bus lines and the Dash Chesterfield Square line. The subject property is therefore located in Tier 2 of the Transit Oriented Communities Affordable Housing Incentive Program. Per Section IV of the Transit Oriented Communities Guidelines, projects that consist of 100% on-site restricted affordable units, exclusive of a building manager's unit, shall be eligible for one increase in Tier than otherwise would be provided. Accordingly, the project is eligible for Tier 3 incentives.

The proposed project is a 51-unit residential building with a maximum height of 56 feet and encompasses approximately 42,835 square feet. The project provides 8 residential parking spaces located at the ground floor with vehicular access off Towne Avenue. The project also provides 52 long-term and 6 short-term bicycle parking spaces. The main pedestrian entrance is provided along Florence Avenue.

Pursuant to the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines), the project is eligible for Base Incentives and three (3) additional incentives. As base incentives, the project is eligible to (1) increase the maximum allowable number of dwelling units permitted by 70%, (2) increase the maximum allowable floor area ratio by 50%, and (3) provide no automobile parking for an Eligible Housing Development that consists of 100% On-Site Restricted Affordable units, exclusive of a manager's unit. The project is in request of three additional incentives. The project requests (1) a 30% reduction in the required northern side yard and eastern rear yard setbacks; (2) an 11-foot increase in the building height to 56-feet in lieu of the otherwise maximum height of 45 feet per the C2-1VL zone; and (3) a 25% decrease from the open space requirement, allowing 3,844 square feet in lieu of 5,125 square feet. Pursuant to Section VII of the TOC Guidelines, two yards count as one incentive for projects within TOC Tier 3.

## **TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM /AFFORDABLE HOUSING INCENTIVES COMPLIANCE FINDINGS**

Pursuant to Section 12.22 A.31(e) of the LAMC, the Director shall review a Transit Oriented Communities Affordable Housing Incentive Program project application in accordance with the procedures outlined in LAMC Section 12.22 A.25(g).

1. **Pursuant to Section 12.22 A.25(g) of the LAMC, the Director shall approve a density bonus and requested incentive(s) unless the director finds that:**
  - a. ***The incentives are not required to provide for affordable housing costs as defined in California Health and Safety Code Section 50052.5 or Section 50053 for rents for the affordable units.***

The record does not contain substantial evidence that would allow the Director to make a finding that the requested incentives are not necessary to provide for affordable housing costs per State Law. The California Health & Safety Code Sections 50052.5 and 50053 define formulas for calculating affordable housing costs for very low, low, and moderate income households. Section 50052.5 addresses owner-occupied housing and Section 50053 addresses rental households. Affordable housing costs are a calculation of residential rent or ownership pricing not to exceed 25 percent gross income based on area median income thresholds dependent on affordability levels.

The list of on-menu incentives in the Transit Oriented Communities Guidelines were pre-evaluated at the time the Transit Oriented Communities Affordable Housing Incentive Program Ordinance was adopted to include types of relief that minimize restrictions on the size of the project. As such, the Director will always arrive at the conclusion that the on-menu incentives are required to provide for affordable housing costs because the incentives by their nature increase the scale of the project.

*Reduced Yards.* The requested 30% reduction in the northern side yard and eastern rear yard, are expressed in the Menu of Incentives in the Transit Oriented Communities Guidelines which permit exceptions to zoning requirements that result in building design or construction efficiencies that facilitate affordable housing costs. The requested incentives allow the developer to reduce setback requirements so the affordable housing units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the applicant's decision to reserve 50 units for Extremely Low Income Households. One (1) unit will be set aside as a market-rate manager's unit, for a total of 51 units.

*Increased Height:* The proposed project requests an increase for 11 additional feet to allow for 56 feet in building height, in lieu of the otherwise permitted 45 feet in building height in the C2-1VL zone. Per the Transit Oriented Communities Guidelines, the proposed project qualifies for the 11-foot height increase, resulting in a maximum height of 56 feet. The limitation on the height could limit the ability to construct the residential dwelling units permitted by-right and the Restricted Affordable Units which are of a sufficient size. The building as proposed would have a maximum height of 56 feet and would have a total of five-stories. As proposed, the additional height would allow for the construction of the affordable residential units.

*Open Space Reduction.* The requested open space incentive, including a 25 percent reduction in the permitted open space area, is expressed in the Menu of Incentives in the Transit Oriented Communities Guidelines which permit exceptions to zoning

requirements that result in building design or construction efficiencies that facilitate affordable housing costs. The requested incentive will allow the developer to reduce open space requirements so the affordable housing units reserved for Extremely Low Income Households can be constructed and the overall space dedicated to residential uses is increased. This incentive supports the applicant's decision to reserve 50 units for Extremely Low Income Households. One (1) unit will be set aside as a market-rate manager's unit, for a total of 51 units.

- b. *The Incentive will 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 and for which there are no feasible method to satisfactorily mitigate or avoid the specific adverse Impact without rendering the development unaffordable to Very Low, Low and Moderate Income households. Inconsistency with the zoning ordinance or the general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.***

There is no evidence that the proposed incentive will have a specific adverse impact. A "specific adverse impact" is defined as "a significant, quantifiable, direct and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete" (LAMC Section 12.22 A.25(b)). The proposed Project and potential impacts were analyzed in accordance with the California Environmental Quality Act (CEQA) Guidelines and the City's L.A. CEQA Thresholds Guide. These two documents establish guidelines and thresholds of significant impact, and provide the data for determining whether or not the impacts of a proposed Project reach or exceed those thresholds. Analysis of the proposed Project determined that it is Categorically Exempt from environmental review pursuant to Article 19, Section 15332 (Class 32) of the CEQA Guidelines.

The Class 32 Exemption is intended to promote infill development within urbanized areas. The proposed project qualifies for a Class 32 Categorical Exemption because it conforms to the definition of "Infill Projects" as further described in the analysis for Case No. ENV-2017-4060-CE. The five (5) conditions which the project must meet in order to qualify for the Class 32 Categorical Exemption are as follows: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with the applicable zoning designation and regulations; (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses; (c) The project site has no value as habitat for endangered, rare or threatened species; (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and (e) The site can be adequately served by all required utilities and public services. The project, as proposed, was determined to meet all five conditions. Furthermore, planning staff evaluated the exceptions to the use of Categorical Exemptions for the proposed ordinance listed in "CEQA Guidelines" Section 15300.2 and determined that none of the exceptions apply to the proposed project.

Therefore, there is no substantial evidence that the proposed Project will have a specific adverse impact on the physical environment, on public health and safety, or on property listed in the California Register of Historic Resources.

## **TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM BACKGROUND**

Measure JJJ was adopted by the Los Angeles City Council on December 13, 2016. Section 6 of the Measure instructed the Department of City Planning to create the Transit Oriented Communities (TOC) Affordable Housing Incentive Program, a transit-based affordable housing incentive program. The measure required that the Department adopt a set of TOC Guidelines, which establish incentives for residential or mixed-use projects located within ½ mile of a major transit stop. Major transit stops are defined under existing State law.

The TOC Guidelines, adopted September 22, 2017, establish a tier-based system with varying development bonuses and incentives based on a project's distance from different types of transit. The largest bonuses are reserved for those areas in the closest proximity to significant rail stops or the intersection of major bus rapid transit lines. Required affordability levels are increased incrementally in each higher tier. The incentives provided in the TOC Guidelines describe the range of bonuses from particular zoning standards that applicants may select.

### **OBSERVANCE OF CONDITIONS - TIME LIMIT - LAPSE OF PRIVILEGES**

All terms and conditions of the Director's Determination shall be fulfilled before the use may be established. The instant authorization is further conditioned upon the privileges being utilized within three years after the effective date of this determination and, if such privileges are not utilized, building permits are not issued, or substantial physical construction work is not begun within said time and carried on diligently so that building permits do not lapse, the authorization shall terminate and become void.

### **TRANSFERABILITY**

This determination runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent that you advise them regarding the conditions of this grant. If any portion of this approval is utilized, then all other conditions and requirements set forth herein become immediately operative and must be strictly observed.

### **VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR**

The Applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any condition of this grant is violated or not complied with, then the Applicant or his successor in interest may be prosecuted for violating these conditions the same as for any violation of the requirements contained in the Municipal Code, or the approval may be revoked.

Section 11.00 of the LAMC states in part (m): "It shall be unlawful for any person to violate any provision or fail to comply with any of the requirements of this Code. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Code shall be guilty of a misdemeanor unless that violation or failure is declared in that section to be an infraction. An infraction shall be tried and be punishable as provided in Section 19.6 of the Penal Code and the provisions of this section. Any violation of this Code that is designated as a misdemeanor may be charged by the City Attorney as either a misdemeanor or an infraction.

Every violation of this determination is punishable as a misdemeanor unless provision is otherwise made, and shall be punishable by a fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more than six months, or by both a fine and imprisonment."



## APPEAL PERIOD - EFFECTIVE DATE

The Determination in this matter will become effective and final fifteen (15) days after the date of mailing of the Notice of Director's Determination unless an appeal there from is filed with the City Planning Department. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of this Determination, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. Forms are available on-line at <http://planning.lacity.org>.

Planning Department public offices are located at:

<b>Downtown</b>	<b>San Fernando Valley</b>	<b>West Los Angeles</b>
Figueroa Plaza 201 North Figueroa Street, 4th Floor Los Angeles, CA 90012 (213) 482-7052	Marvin Braude San Fernando Valley Constituent Service Center 6262 Van Nuys Boulevard, Rm 251 Van Nuys, CA 91401 (818) 374-5050	West Los Angeles Development Services Center 1828 Sawtelle Boulevard, 2nd Floor Los Angeles, CA 90025 (310) 231-2598

\*Please note the cashiers at the public counters close at 3:30 PM.

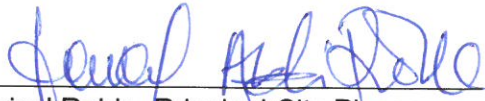
Only an applicant or any owner or tenant of a property abutting, across the street or alley from, or having a common corner with the subject property can appeal this Density Bonus Compliance Review Determination. Per the Density Bonus Provision of State Law (Government Code Section §65915) the Density Bonus increase in units above the base density zone limits and the appurtenant parking reductions are not a discretionary action and therefore cannot be appealed. Only the requested incentives are appealable. Per Section 12.22 A.25 of the LAMC, appeals of Density Bonus Compliance Review cases are heard by the City Planning Commission.

Verification of condition compliance with building plans and/or building permit applications are done at the Development Services Center of the Department of City Planning at either Figueroa Plaza in Downtown Los Angeles or the Marvin Braude Building in the Valley. In order to assure that you receive service with a minimum amount of waiting, applicants are encouraged to schedule an appointment with the Development Services Center either through the Department of City Planning website at <http://planning.lacity.org> or by calling (213) 482-7052 or (818) 374-5050. The applicant is further advised to notify any consultant representing you of this requirement as well.

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedures Section 1094.6. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filed no later than the 90th day following the date on which the City's decision becomes final.

VINCENT P. BERTONI, AICP  
Director of Planning

Approved by:

  
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Reviewed by:

  
Michelle Singh, Senior City Planner

Reviewed by:

  
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