COMMUNITY DEVELOPMENT COMMISSION
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ADOPTED
Community Development Commission

#1-D JANUARY 4, 2011

SACHI A. HAMAI
EXECUTIVE OFFICER

January 04, 2011

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

Dear Commissioners:

APPROVAL OF FUNDS FOR ACQUISITION COSTS FOR MICHAEL'S VILLAGE IN THE CITY OF LOS ANGELES
(DISTRICT 3) (3 VOTES)

SUBJECT

This letter recommends the transfer of up to $400,000 in County General Funds, allocated to the Third Supervisorial District, to fund construction costs associated with the development of the Michael's Village permanent supportive housing project by Step Up on Second, Inc.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Executive Director to accept and incorporate into the Commission's approved Fiscal Year 2010-2011 budget up to $400,000 in County General Funds, specifically Emergency Shelter Funds allocated to the Third Supervisorial District, upon transfer of funds from the Chief Executive Office.

2. Authorize the Executive Director or his designee to execute all required documents necessary to transfer up to $400,000 to Step Up on Second., Inc. (SUOS) to provide construction funding associated with the rehabilitation of a 24-unit motel and an eight-unit apartment building to provide 30 units of permanent supportive housing and two manager's units.

3. Acting as a responsible agency pursuant to the California Environmental Quality Act (CEQA), certify that the Commission has considered the attached determination, which was prepared by the City of Los Angeles as lead agency; and find that the project will not cause a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The $400,000 in County General Funds (CGF) will fund construction costs for the project to be known as Michael's Village, which will provide 30 units of permanent supportive housing targeting chronically homeless persons with mental illness. The project is located at 7160 West Sunset Boulevard and 1442 North Formosa Avenue, in the City of Los Angeles.

FISCAL IMPACT/FINANCING

The actions described herein will be funded with a portion of the $20,000,000 in CGF known as the Emergency Shelter Fund (ESF), approved by the Board of Supervisors on June 20, 2005, to fund the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors approved allocating $3,600,000 in CGF to each Supervisorial District with $2,000,000 reserved for Commission administrative costs.

The Third District is allocating $400,000, which will be granted to SUOS to contribute to the development of the Michael's Village project in order provide permanent supportive housing targeting chronically homeless persons with mental illness. Funds for this project will be incorporated into the Commission's Fiscal Year 2010-2011 approved budget as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In order to address the staggering numbers of homeless individuals and families and the corresponding critical shortage of beds in Los Angeles County, on June 20, 2005, the Board of Supervisors approved allocation of $20,000,000 for the construction and/or renovation of year-round emergency shelters and enhancements to the homeless support system.

On November 22, 2005, the Board of Supervisors delegated authority to the Commission to administer funding and oversee all of the projects. The Board also instituted a method by which each Board Office selects recipients of CGF based on agency experience and the need for homeless services in the community, among other considerations.

The Third District directed the Commission to allocate $400,000 in ESF to fund capital costs associated with the Michael's Village Project. This grant will be used to partially fund the rehabilitation of the 24-unit motel and the eight-unit apartment building to provide 23 efficiency units and seven one-bedroom units, affordable at 30% of Area Median Income, as well as two live-in manager's units. Preference for the units will be given to individuals that are on the Hollywood Homeless Service Registry and who also have a mental illness.

The acquisition and rehabilitation of the property is being financed with a combination of public and private funds, and all funding is anticipated to be fully committed by January 2010. The Community Redevelopment Agency of the City of Los Angeles has expressed the intent to provide construction funding for the project, and expects to have formal approval in January. With the exception of these funds and the $400,000 in County General Funds recommended by this letter, all other funds necessary for the development of this project have been committed. The total project budget is $5,805,054.

A description of Michael's Village is provided as Attachment A.

ENVIRONMENTAL DOCUMENTATION

This project has been determined Statutorily Exempt from the requirements of CEQA by the City of Los Angeles in accordance with State CEQA Guidelines Section 15268. The Commission's consideration of this determination satisfies the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these actions will increase the supply of permanent supportive housing for chronically homeless persons with mental illness.

Respectfully submitted,

SEAN ROGAN
Executive Director

SR:kk

Enclosures

ATTACHMENT A
STEP UP ON SECOND, INC.
MICHAEL'S VILLAGE

Step Up on Second, Inc. is a nonprofit mental health provider and housing developer that has developed and operated permanent supportive housing for over 15 years. The agency currently operates three permanent supportive housing projects for individuals who are homeless and affected by mental illness, with a total of 85 units.

The Michael's Village project involves the acquisition and rehabilitation of a 24-unit motel and an adjacent eight-unit apartment building, currently the Hollywood Inn and Suites, to provide 32 units of permanent supportive housing, including two on-site manager's units. The rehabilitation will include adding kitchenettes to the motel units, replacing electrical and water heating systems, adding fire sprinklers and alarms, replacing a roof, and creating two community kitchens.

The project will have a preference for individuals currently living on the street that have been identified as highly vulnerable by the Hollywood Homeless Service Registry and who also have a mental illness. The Department of Mental Health has committed to providing Shelter Plus Care rental subsidies for those individuals on the Service Registry.

Step Up will provide a services team to work with individuals on the Hollywood Homeless Service Registry who are diagnosed with a mental illness and/or a co-occurring disorder. The team will consist of a licensed clinical social worker, a licensed vocational nurse, a substance abuse counselor, a mental health/outreach service coordinator, a peer advocate and a life skills coordinator. The team may have their main offices at Michael's Village or at another location nearby. If the main office is not on –site, there will be a services office at Michael's Village that will primarily be used by the life skills coordinator but may be utilized by any of the team members to work with tenants depending on their needs.

The services team will provide direct supportive services to tenants at Michael's Village or linkages to services beyond their scope such as psychiatry and medical care. Third party services may be any service provider the tenant may have previously been linked with or other agencies in Hollywood including PATH, GETTLOVE, the Saban Free Clinic and Blessed Sacrament.

Michael's Village will be located at 7160 West Sunset Boulevard and 1442 North Formosa Avenue in the City of Los Angeles.

Construction Funding	$400,000
Total Request	**$400,000**

AFFORDABLE HOUSING REFERRAL FORM
LOS ANGELES CITY PLANNING DEPARTMENT

This form is to serve as a referral to Planning Public Counter for affordable housing case filing purposes (in addition to the required Master Land Use Application and any other necessary documentation) and as a referral to LAHD, CRA, LA County, or other City agency for project status and entitlement need purposes. Please refer to Affordable Housing Referral Form (AHRF) Instructions Sheet for additional information on completing this form. This form shall be completed by the applicant and reviewed and signed by Planning staff.

CITY STAFF USE ONLY

Referral To:

❒ Public Counter- Filing ❒ LAHD Funding ❒ CRA ❒ LA County ■ Other: FHL Banki San Francisco

NOTES: Tenant improvements only for existing building. Ministerial action unless Building and Safety triggers Planning entitlement. Existing 12 parking spaces required per C of O for Apartment Hotel. No change in number of units.

Planning Staff Name and Title	Planning Staff Signature	Date
ESTINEH MAILIAN, CITY PLANNER		9/21/2010

I. PROPOSED PROJECT

1. PROJECT LOCATION/ ZONING

Project Address: 7160 West Sunset Boulevard , Los Angeles, CA

Project Name: Michael's Village (1 of 2: Sunset Site)

Applicant Name and Contact Information: Step Up On Second, Steven J. Spielberg, Project Manager (310) 393-2893

Assessor Parcel Number(s):5548-018-027

Community Plan: Hollywood Number of Lots: 1 Lot size: Net Area: 10,196.4 s.f.

Existing Zone: C4-1VL-SN Land Use Designation: Neighborhood Office Commercial

❒ Specific Plan ❒ HPOZ ❒ DRB ❒ Enterprise Zone ✓ CRA

❒ Q-condition/ D-limitation/ T-classification *(please specify)*:

✓ Other pertinent zoning information *(please specify)*: Adaptive Reuse Incentive Areas Specific Plan

2. PROPOSED PROJECT

Description of Proposed Project: Use an existing apartment hotel building for permanent supportive housing for homeless individuals affected by mental illness. Building will undergo minor renovations including adding sinks to restrooms and upgrading electrical systems in the motel and adding sprinkler systems to building. Additionally, accessibility upgrades will be made as required.For LA City Planning purposes, all uses are consistent with the zoning, and there will be no change of use. The LA Department of Building and Safety, however, will require a change of occupancy for the apartment hotel from R1 Hotel (transient) to R2 (non-transient).

	Type of Use	Square Feet	# of Units
Existing[1]	Hotel (transient	8,028	24* (to be verified by Building and Safety- Certificate of Occupancy)
To be Demolished	N/A	0	0
Proposed	Hotel (non-transient) & Apartment House	8,028	24
TOTAL		8,028	24

3. APPLICATION STATUS & TYPE

A. Status of Application

✓ Not Required: Ministerial[2]

❒ Entitlement Case Required and needs to filed with Planning

❒ Case Filed:

	(1)	(2)	(3)
Case Number(s):			
Date Filed:			
Date Approved:			
End of Appeal Period:			

B. Type of Application *(please select only one)*

	1. ❒ **Density Bonus** (per LAMC 12.22.A.25, Ordinance 179,681) *(Please Complete Sections I, II & V)*	2. ❒ **Greater Downtown Housing Incentive Area** (per LAMC 12.22.A.29, Ordinance 179,076) *(Please Complete Sections I, III & V)*	3. ❒ **Senior Independent Housing/ Assisted Living Care Housing/ Disabled Persons Housing** (per LAMC 12.21.A.4.u, Ordinance 178,063) *(Please Complete Sections I,IV & V)*	4. ✓ **Other:** *(Please Complete Sections I & V)*
Ministerial[2]	❒ LADBS- Ministerial o Density Increase o Parking Reductions (option 1 or 2)	❒ LADBS- Ministerial o Exempt from SPR	❒ LADBS- Ministerial	❒ LADBS- Ministerial : (please specify)
Discretionary[3]	❒ Density Bonus with Incentives ON the Menu (please specify)	❒ Site Plan Review	❒ Site Plan Review	❒ Discretionary : (please specify)
	❒ Multiple entitlement with Incentives ON the Menu (please specify)	❒ Other entitlement	❒ Other entitlement	
	❒ Density Bonus with Incentives NOT ON the Menu[4] (please specify)			
	❒ Multiple entitlement with Incentives NOT ON the Menu[4] (please specify)			

4. DENSITY CALCULATION:

A. Base Density: Maximum density allowable per zoning

Lot size 10,196.4 sf. (a)
Density allowable by zone 400 units/s.f. of lot area (b)
Units allowed by right (Base Density) 25 units (c) [c =a/b, round down to whole number]

B. Maximum allowable Density Bonus: 34 units (d) [d =c x 1.35, round up to whole number]

C. Proposed Project: Please indicate total number of Units as well as breakdown by levels of affordability set by each category (HCD or HUD). For information on HCD and HUD levels of affordability please contact Los Angeles Housing Department's Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

	Total	HCD (State)[5]	HUD (TCAC)[6]
Market Rate	0	N/A	N/A
Managers Unit(s)- Market Rate	1	N/A	N/A
Very Low Income	23	either	either
Low Income	0		
Moderate Income	0		N/A
Seniors- Market Rate	0	N/A	N/A
Seniors- Very Low Income	0		
Seniors- Low Income	0		
Total # of Units per Category		(e)	(f)
Percent of Affordable Units by Category		(g)	(h)

[g = e/c or e/i, whichever is less, c or i]
[h = f/c or f/i, whichever is less, c or i]

TOTAL # of Units Proposed 24 (i)

Number of Density Bonus Units 0 (j) [If i>c, then j=i-c; if i<c, then j= 0]
Percent Density Bonus Requested 0 (k) [k= j/c]

5. SITE PLAN REVIEW CALCULATION:

An application for Site Plan Review may be required for projects that meet the Site Plan Review threshold(s) as outlined in LAMC Section 16.05.C. unless otherwise exempted per Section 16.05.D. For Density Bonus projects involving bonus units, please use the formulas provided below to determine if the project meets Site Plan Review threshold for unit count. If project meets the threshold(s) but qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

✓ If number of Proposed units [(i) from above] is less than the number of By Right/ Base Density units [(c) from above, then:

(i) – existing units = 24-24=0

- ☐ YES, Site Plan Review is required, if Proposed units minus existing units is greater than or equal to 50
- ✓ NO, if Proposed units minus existing units is less than 50
- ✓ Exempt *(please specify):* Proposed units minus existing units equals 0

☐ If number of Proposed units [(i) from above] is greater than the number of By Right/ Base Density units [(c) from above, then:

(c) – existing units = _____

- o YES, Site Plan Review is required, if By Right/ Base Density units minus existing units is greater than or equal to 50
- o NO, if By Right/ Base Density units minus existing units is less than 50
- o Exempt *(please specify):* _____

II. DENSITY BONUS (LAMC Sec.12.22.A.25, Ordinance 179,681)

6. HOUSING DEVELOPMENT PROJECT TYPE *(please select one)*

- ✓ (1) For Sale or Rental Housing with Low or Very Low Income Restricted Affordable Units
- ☐ (2) For Sale or Rental Senior Citizen Housing (Market Rate)
- ☐ (3) For Sale or Rental Senior Citizen Housing with Low or Very Low Income Restricted Affordable Units
- ☐ (4) For Sale Housing with Moderate Income Restricted Affordable Units

7. DENSITY BONUS OPTIONS *(Please check all that apply)*

- ☐ Land Donation
- ☐ Child Care
- ☐ Restricted Affordable Units Located Near Transit Stop/ Major Employment Center
- ☐ Common Interest Development with Low or Very Low Income Restricted Affordable Units for Rent
- ☐ Condominium Conversion
- ☐ Parking *(Please choose only one option)*

☐ **Parking Option 1:** Based on # of bedrooms, inclusive of Handicapped and Guest parking

	# of Units	Spaces/Unit	Parking Required	Parking Provided
0-1 Bedroom		1		
2-3 Bedrooms		2		
4 or more Bedrooms		2.5		
TOTALS				

Parking Option 2: Reduced only for Restricted Affordable Units

	# of Units	Spaces/Unit	Parking Required[7]	Parking Provided[7]
Market Rate (Including Senior Market Rate)		Per code		
Restricted Affordable		1		
Very Low/ Low Income Senior or Disabled		.5		
Restricted Affordable in Residential Hotel		.25		
TOTALS:				12 existing parking spaces

8. INCENTIVES

A. Project Zoning Compliance & Incentives *(Please check all that apply)*

	Required/ Allowable	Proposed	ON Menu	OFF Menu
☐ (1) Yard/ Setback *(each yard counts as 1 incentive)*				
☐ Front			☐	☐
☐ Rear			☐	☐
☐ Side(s)			☐	☐
☐ (2) Lot Coverage			☐	☐
☐ (3) Lot Width			☐	☐
☐ (4) Floor Area Ratio			☐	☐
☐ (5) Height/ # of Stories			☐	☐
☐ (6) Open Space			☐	☐
☐ (7) Density Calculation			☐	☐
☐ (8) Averaging *(all count as 1 incentive)*			☐	☐
FAR,			—	—
Density,			—	—
Parking,			—	—
OS,			—	—
Vehicular Access			—	—
☐ Other *(please specify)*:			☐	☐

TOTAL # of Incentives Requested: _____ _____

B. Qualification for Incentives On the Menu: *(Please check only one)*

Incentives	% Very Low Income	% Low Income	% Moderate Income
One	❒ 5% to <10%	❒ 10% to <20%	❒ 10% to <20%
Two	❒ 10% to <15%	❒ 20% to <30%	❒ 20% to <30%
Three	❒ 15% or greater	❒ 30% or greater	❒ 30% or greater
3+	❒ *(Specify)*:	❒ *(Specify)*:	❒ *(Specify)*:

9. COVENANT: All Density Bonus projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

III. GREATER DOWNTOWN HOUSING INCENTIVE AREA (GDHIA) (LAMC Sec.12.22.A.29, Ordinance 179,076)

10. ELIGIBILITY FOR FLOOR AREA BONUS
NOTE: Published affordability levels per the United States Department of Housing and Urban Development (HUD/TCAC). Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

- ❒ (1) 5% of the total number of dwelling units provided for Very Low Income households; and
- ❒ (2) One of the following shall be provided:
  - 10% of the total number of dwelling units for Low Income households; or
  - 15% of the total number of dwelling units for Moderate Income households; or
  - 20% of the total number of dwelling units for Workforce Income households, and
- ❒ (3) Any dwelling unit or guest room occupied by a household earning less than 50% of the Area Median Income that is demolished or otherwise eliminated shall be replaced on a one-for-one basis within the Community Plan Area in which it is located.

11. INCENTIVES *(Please check all that apply)*
NOTE: Must meet all 3 eligibility requirement from above (#10).
- ❒ (1) A 35% increase in total floor area.
- ❒ (2) Open Space requirement pursuant to Section 12.21.G reduced by one-half, provided fee is paid.
- ❒ (3) No parking required for units for households earning less than 50% AMI.
- ❒ (4) No more than one parking space required for each dwelling unit.

12. ADDITIONAL INCENTIVES TO PRODUCE HOUSING IN THE GREATER DOWNTOWN HOUSING INCENTIVE AREA
- ❒ (a) No yard requirements except as required by the Urban Design Standards and Guidelines
- ❒ (b) Buildable are shall be the same as the lot area (for the purpose of calculating buildable area for residential and mixed-use)
- ❒ (c) Maximum number of dwelling units or guest rooms permitted shall not be limited by the lot area provisions as long as the total floor area utilized by guest rooms does not exceed the total floor area utilized by dwelling units.
- ❒ (d) No prescribed percentage of the required open space that must be provided as either common open space or private open space.

13. SITE PLAN REVIEW: Any residential (including Apartment Hotel or mixed-use) building located within the Greater Downtown Housing Incentive Area is required to complete a Site Plan Review unless otherwise exempted per LAMC Section 16.05.D. If project qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

14. COVENANT: All GDHIA projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit **before** a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

IV. SENIOR INDEPENDENT HOUSING/ ASSISTED LIVING CARE HOUSING/ DISABLED PERSONS HOUSING (LAMC Sec.12.21.A.4.u, Ordinance 178,063)

15. PARKING REDUCTION

❒ May be reduced to 50% of the number otherwise required by code if all of the following requirements are met:

16. ELIGIBILITY FOR REDUCED PARKING

❒ (1) Occupied by at least one person who is disabled or 62 years of age or older, except for management or maintenance personnel unit.

❒ (2) At least 10 square feet of indoor recreation space and at least 50 square feet of usable open space for each dwelling unit in the development, both available and accessible to all residents of the development.

❒ (3) Record a Covenant and Agreement with Building and Safety.

V. REQUIRED FOR ALL APPLICATIONS

17. ENVIRONMENTAL STATUS *(Please check only one)*

✓ Not Required: Ministerial *(CEQA does not apply-may proceed to Building and Safety, no Planning action required)*

❒ Not Filed: *(Please visit the Planning Public Counter and inquire about completing either an Environmental Assessment Form or a Categorical Exemption)*

❒ Filed:

- Categorical Exemption[8] *(Please specify Class and Category):*_____
- Statutory Exemption *(Please specify Type of Action):*_____
- Negative Declaration[8]
- Mitigated Negative Declaration[8,9]
- Environmental Impact Report[8]
- Reconsideration of previous Environmental Review

(Please provide the following information for all filed cases)

Case Number: _____
Date Filed: _____
Date Completed: _____
End of Comment Period: _____
Date Adopted/ Certified: _____
Date Filed with County Clerk: _____
Exhausted All Appeals Date: _____

18. OTHER L.A.M.C. PROVISIONS *(Please check all that apply and give brief description)*

❒ Site Plan Review *(If applicable but Exempt, please provide letter of Exemption signed by authorized Site Plan Review Section planner)*

❒ Specific Plan Project Permit Compliance:_____

❒ CU: _____

❒ ZV: _____

❒ ZAA: _____

❒ Tract or Parcel Map: _____

❒ Other (please specify): _____

NOTES:

[1] *Please provide certificate of occupancy*

[2] *Ministerial Projects (aka, "By-Right") do not require any discretionary Planning approvals. Developers of such housing file building plans with the Department of Building & Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction.*

[3] *Discretionary Projects require Planning decisions and approval.*

[4] *Any waiver or modification of development standards not listed ON the menu of Incentives in the Density Bonus Ordinance.*

[5] *HCD (State)= Published affordability levels per California Department of Housing and Community Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.*

[6] *HUD (TCAC)= Published affordability levels per the United States Department of Housing and Urban Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.*

[7] *Up to 40% of the required parking for the Restricted Affordable Units may be provided by compact stalls.*

[8] *Need to file with County Clerk if applying for public funding. If applying for City of Industry (Los Angeles County) Funds please contact City of Industry for additional documentation required.*

[9] *All projects applying for City of Industry (Los Angeles County) Funds need to prepare a Mitigation Monitoring Plan.*