

FINDINGS

Density Bonus/Affordable Housing Incentives Compliance Findings

1. Pursuant to Section 12.22 A.25 of the LAMC and Section 65915 of the California Government Code, the decision-maker shall approve a density bonus and requested incentive(s) and waiver(s) unless the Commission finds that:
 - a. *The Incentives do not result in identifiable and actual cost 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 City Planning Commission to make a finding that the requested incentives do not result in identifiable and actual cost reductions that provide for affordable housing costs per State Law. The California Health and 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 depending on affordability levels.

Based on the set-aside of 78 percent of the base density for Very Low Income Households, the applicant is entitled to three (3) incentives under both Government Code Section 65915 and the LAMC. The request for an off-menu height increase, an on-menu FAR increase, and the on-menu use of averaging qualify as requested Incentives. The remaining requests to allow for reduction in two side yard setbacks are waivers of development standards.

Floor Area Ratio

The subject property is zoned RD2-1 and R3-1. The property's zoning and designation of Height District 1 permit a maximum FAR of 3 to 1, equal to a maximum of 31,590 square feet of total building area. The applicant is requesting an on-menu incentive for a 23 percent increase in FAR for a maximum FAR of 3.7 to 1 to allow 39,011 square feet of floor area.

The requested increase in FAR will allow for the construction of a larger number of market rate and affordable units, larger-sized dwelling units that are competitive in the rental market, and retail space at the ground level. Granting of the incentive would result in a building design and construction efficiencies that provide for affordable housing costs. It enables the developer to expand the building envelope so that additional market rate and affordable units can be constructed, and the overall space dedicated to residential uses is increased. The additional market rate floor area will increase the availability of market rate rents that will be available to subsidize the operational costs of the affordable units. The increased building envelope also ensures that all dwelling units are of a habitable size, and competitive with the market, while providing a variety of unit types that will serve an array of households. This Incentive helps provide for the cost of the 11 dwelling units for Very Low Income Households.

Averaging

The subject property has a total lot area of 15,334.6 square feet with half of the site zoned R3-1 which limits density to one (1) dwelling unit per 800 square foot of lot area and half zoned RD2-1 which limits density to one (1) dwelling unit per 2,000 square feet of lot area. The density allowed by the underlying zones is 3.7 units on the RD2 zoned portion of the site and 9.3 units on the R3 zoned portion of the site. When Calculating base density for the purposes of Density Bonus calculations, 3.7 is rounded up to four (4) and 9.3 is rounded up to 10 for a base density on the subject property of 14 units. The applicant has requested that the base density be averaged across the entire site such that the dwelling units may be provided on any portion of the site rather than allocating the units by zone. This incentive is offered on the menu of incentives for Density Bonus projects. Averaging allows the 43 units to be provided in the most economical way, by taking advantage of design efficiencies that allows the units to be distributed across the property and within fewer building levels, avoiding the construction of additional floors. Averaging also ensures that all dwelling units are of a habitable size, and competitive with the rental market, while providing a variety of unit types that will serve different types of households. This Incentive helps provide for the cost of the 11 dwelling units for Very Low Income Households.

Height

The subject property's RD2-1 and R3-1 Zone and Height District permits a maximum height of 45 feet. The project has requested an Off-Menu Incentive to allow a maximum height of 62 feet.

As proposed, the height increase will allow an additional 17 feet in building height and will accommodate the construction of an additional story to accommodate additional market rate and affordable units. Granting of the Off-Menu Incentive would result in a building design and construction efficiencies that provide for affordable housing costs given the limited size of the lot; it enables the developer to expand the building envelope so that additional units can be constructed and the overall space dedicated to residential uses and market rate floor area is increased. The additional floor area will increase rent revenue that will subsidize the operational costs of the affordable units in the project. The increased building envelope also ensures that all dwelling units are of a habitable size, and competitive with the rental market, while providing a variety of unit types that will serve different types of households. This Incentives supports the applicant's decision to set aside a minimum of 11 dwelling units for Very Low Income Households.

- b. *The waiver[s] or reduction[s] of development standards will not have the effect of physically precluding the construction of a development meeting the [affordable set-aside percentage] criteria of subdivision (b) at the densities or with the concessions or incentives permitted under [State Density Bonus Law] (Government Code Section 65915(e)(1))***

A project that provides at least 5 percent of its base density for Very Low Income Households may request other "waiver[s] or reduction[s] of development standards that will have the effect of physically precluding the construction of a development meeting the [affordable set-aside percentage] criteria of subdivision (b) at the densities or with the concessions or incentives permitted under [State Density Bonus Law]" (Government Code Section 65915(e)(1)).

Side Yard Setback (northerly)

The RD2 Zone requires an 8 foot side yard. The project is proposed with a 10% decrease in required northerly side yard to allow a 7-foot 2-inch side yard.

Side Yard Setback (southerly)

The R3 Zone requires an 8 foot side yard. The project is proposed with a 10% decrease in required southerly side yard to allow a 7-foot 2-inch side yard.

The two waivers result in an additional combined 20 inches feet of building width which allows the project to accommodate the requested 39,011 square feet of floor area and thus the requested density of 43 units (11 Very Low Income). Adherence to the 8-foot side yard setbacks would physically preclude the construction of the project areas that encroach into the setback, and would physically preclude the floor area granted in the incentives that encroaches into the setback.

Conclusion

Application of these the Development Standards regarding side yards would have the effect of physically precluding construction of the proposed development providing 43 dwelling units with the requested incentives. These waivers are warranted.

- c. ***The Incentives or waivers will have a Specific Adverse Impact upon public health and safety or the physical environment or any real property that is listed in the California Register of Historical Resources and for which there is 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 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 density bonus incentives or waivers will have a specific adverse impact upon public health and safety or the physical environment, or any real property that is listed in the California Register of Historical Resources. 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 project does not involve a contributing structure in a designated Historic Preservation Overlay Zone or on the City of Los Angeles list of Historical-Cultural Monuments. The project is not located on a substandard street in a Hillside area or a Very High Fire Hazard Severity Zone. There is no evidence in the record which identifies a written objective health and safety standard that has been exceeded or violated. Based on the above, there is no basis to deny the requested incentives or waivers. Therefore, there is no substantial evidence that the project's proposed incentives or waivers 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.

- d. **The incentives or waivers are contrary to state or federal law.**

There is no substantial evidence in the record that the waivers or the incentives are contrary to state or federal law.

Conditional Use Findings

2. That the project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region.

The subject property comprises three lots for a total of 15,334.56 square feet of lot area and is located in the Palms neighborhood on the east side of Kelton Avenue, at the intersection of Regent Street. The project site is currently developed with two residential duplexes (total of four units). The site is one block north of Venice Boulevard (Route 187) and is a 1.2 mile walk from the Metro E Line Palms Station. The site is in close proximity to Downtown Culver City, Sony Pictures Studios, and commercial and retail amenities such as grocery stores (for example Trader Joes).

The project involves the demolition of two duplexes (four units) and the construction, use, and maintenance of a new five-story, 62-foot residential building consisting of 43 dwelling units, of which 11 will be set aside for Very Low Income households while the remaining 32 units will be rented at market rate. The dwelling units will comprise of a mix of studios, one-, and two-bedroom units. The project will provide 33 automobile parking spaces in one subterranean parking level and at grade parking level.

The existing duplexes do not utilize the site's full potential in providing much needed housing. The project will perform an essential function by providing 39 net-new dwelling units to Palms, including increasing the affordable housing stock by five net new units.

The additional 166 percent density bonus (beyond the 35 percent permitted through a by-right density bonus) approved herein results in an additional 24 units, for a total of 43 units. In exchange, the project will set aside at least 78 percent (11 units) of the base density for Very Low Income Households for a minimum of 55 years.

Therefore, the proposed 43-unit development, including the 11 units set aside for Very Low Income Households, will provide new market rate and affordable housing, thus performing a function that is essential and beneficial to the city and the region.

3. That the project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood or the public health, welfare, and safety.

The proposed project consists of the construction of a new five-story 43 dwelling unit residential development. The project site is currently developed with two duplexes (for a total of four units) which will be demolished as part of the proposed development.

The property is located within the Palms-Mar Vista-Del Rey Community Plan, a densely populated portion of the City of Los Angeles. The surrounding area is zoned multifamily uses and is developed with multi-family residential buildings and single family homes. The subject property is not adjacent to any single-family zoned properties. Properties along Kelton Avenue, north of Regent Street, are zoned RD2-1 with a land use designation of Low Medium Residential and are developed with a mix of single family homes, duplexes, and two story apartment buildings. Properties on Kelton Avenue to the south of Regent Street are zoned R3-1 and are developed primarily with apartment buildings ranging in height from two to three stories with some single family homes and duplexes. Properties to the east of the site, fronting Midvale Avenue are zoned R3-1 with a Medium Residential Land Use designation and are developed with multifamily residential ranging in height from two to four stories. The project site is located one block north of Venice Boulevard where properties are zoned C2-1 for commercial uses one block south of Palms Middle School.

Construction of the 43-unit housing development will serve to benefit the neighborhood rather than degrade it. The façades are well-articulated and feature ground floor walk-up units which provide a transitional element to the smaller scale single family and duplexes to the north. The residential lobby and landscaping engage pedestrians along Kelton Avenue. Well-designed landscaping and front patio elements will create a pleasing transition from the pedestrian realm of the sidewalk to the façade of the building. Therefore, the project is compatible with the surrounding neighborhood and will not adversely affect nor degrade adjacent properties, surrounding neighborhood, or the public health, safety, or welfare.

With the exception of the requests herein, the proposed project is otherwise entirely consistent with the requirements of the underlying zone. The project's significant features, including the proposed building's use, density, height, and FAR, are permitted by the underlying zone and the provisions of Density Bonus law. The project has been thoughtfully designed to include landscaping and fully screened on-site parking.

Given the proposed project's location within the Palms-Mar Vista-Del Rey Community Plan area, along with the existing development in the immediate vicinity of the subject property and its proximity to commercial thoroughfares, the project's location, size, height, operations, and other significant features will be compatible with and will not adversely affect adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety.

4. That the project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan.

The project site is located within the Palms-Mar Vista-Del Rey Community Plan, which is one of 35 Community Plans which together form the land use element of the General Plan. The Community Plan designates the site for Low Medium Residential land uses (corresponding to the R2, RD3, RD4, RZ3, RZ4, RU, RW1 Zones) and Medium Residential land uses (corresponding to the R3 Zone). The project site is zoned RD2-1 and R3-1 and is thus consistent with the existing land use designations. The subject property is located within the boundaries of the West LA TIMP Specific Plan and will be evaluated by LADOT for transportation impact fee assessment prior to receiving building permit clearances. The site is not subject to any other specific plan or community design overlay.

The proposed project conforms to the following goals, objectives and policies of the Community Plan:

Goal 1: A safe, secure, and high quality residential environment for all community residents.

Objective 1.1: To provide for the preservation of existing housing and for the development of new housing to meet the diverse economic and physical needs of the existing residents and projected population of the Plan area to the year 2010.

Policy 1.1.2: Protect the quality of residential environment and the appearance of communities with attention to site and building design.

Objective 1.4: To promote the adequacy and affordability of multiple-family housing and increase its accessibility to more segments of the population.

Policy 1.4.1: Promote greater individual choice in type, quality, price and location of housing.

The project is a residential development with 11 units restricted for families or persons of Very Low Income and maximizes the property's development potential. The project's Very Low Income and market rate units satisfy both the needs of affordable housing as well as the City's need for more housing overall. The project will result in the net addition of 11 covenanted affordable dwelling units in a community in-need of more affordable housing.

The project design incorporates four walk-up units at the ground floor, providing compatibility with the lower-scale, apartment buildings, duplexes, and single family homes located to the north along Kelton Avenue, many of which are characterized by walk-up entrances.

The uppermost story is set back from the northern building facade line by an additional XX feet in order to provide reduced building massing and greater compatibility with the RD2 zoned section of Kelton Avenue.

The project is further consistent with other elements of the General Plan, including the Housing Element and the Mobility Element.

The Housing Element of the General Plan will be implemented by the recommended action herein. The Housing Element is the City's blueprint for meeting housing and growth challenges. It identifies the City's housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City's housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City. The Housing Element includes the following objectives and policies relevant to the instant request:

Goal 1: Housing Production and Preservation.

Objective 1.1: Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.

Policy 1.1.2: Expand affordable rental housing for all income groups that need assistance.

Goal 2: Safe, Livable, and Sustainable Neighborhoods.

Objective 2.2: Promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit.

Objective 2.5: Promote a more equitable distribution of affordable housing opportunities throughout the City.

Policy 2.5.2: Foster the development of new affordable housing units citywide and within each community plan area.

The project provides 43 total units, including 11 units affordable for Very Low Income Households or individuals. In doing so, the project promotes the objectives of the Housing Element by adding to the City's housing stock and contributing to the need for mixed-income housing. The project site is currently developed with two duplex buildings. The project will expand affordable rental housing while utilizing the property to its full potential, resulting in a net gain of 39 units to the City's housing stock. It is within close proximity to various major employment (including Sony Pictures Studios in Culver City) and retail centers (along Venice Boulevard and Downtown Culver City), along with several major transportation lines, thereby connecting residents to jobs, amenities, services, and transit.

The Mobility Element of the General Plan, also known as Mobility Plan 2035, provides policies with the ultimate goal of developing a balanced transportation network for all users. The project supports the following policies of the Mobility Element:

Policy 3.3: Promote equitable land use decisions that result in fewer vehicle trips by providing greater proximity and access to jobs, destinations, and other neighborhood services.

Policy 5.2: Support ways to reduce vehicle miles traveled (VMT) per capita.

Policy 5.4: Continue to encourage the adoption of low and zero emission fuel sources, new mobility technologies, and supporting infrastructure.

The project proposes a residential development that will provide 32 market-rate units and 11 units reserved for Very Low Income Households. Accordingly, the project fulfills the Community Plan, Framework Element, and Housing Element goals and objectives of providing quality housing for all persons in the community, including those who otherwise might not be housed. The project utilizes development incentives to provide a higher number of residential units than would otherwise be permitted, thereby facilitating the creation of a higher number of affordable units and addressing the need for affordable housing in the City. Additionally, the project is a Density Bonus development located one block north of Venice Boulevard within a Tier 2 TOC area. Thus, the project will contribute towards the creation of sustainable neighborhoods and a reduction in vehicle trips and VMT.

In addition, the project has been conditioned to comply with the electric vehicle requirements of state law. The project has also been conditioned to provide solar infrastructure. Together, these conditions further support applicable policies in the Health and Wellness Element, Air Quality Element, and Mobility Element of the General Plan by reducing the level of pollution/greenhouse gas emissions, ensuring new development is compatible with alternative fuel vehicles, and encouraging the adoption of low emission fuel sources and supporting infrastructure. These conditions also support good planning practice by promoting overall sustainability and providing additional benefits and conveniences for residents, workers, and visitors.

The project contributes to and furthers several applicable goals, objectives, and policies of the plans that govern land use and development in the City. Therefore, the project substantially conforms with the purpose, intent, and provisions of the General Plan and the West Los Angeles Community Plan.

In addition to the above findings set forth in Section 12.24-E of the LAMC, the City Planning Commission shall find that:

5. The project is consistent with and implements the affordable housing provisions of the Housing Element of the General Plan.

The City's Housing Element for 2013-2021 was adopted by the City Council on December 3, 2013. The Housing Element of the General Plan will be implemented by the recommended action herein. The Housing Element is the City's blueprint for meeting housing and growth challenges. It identifies the City's housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City's housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City.

As discussed in Finding No. 4, the project, including 32 market-rate units and 11 units reserved for Very Low Income Households, is consistent with many of the goals and objectives of the Housing Element of the General Plan.

- 6. The project contains the requisite number of Restricted Affordable Units, based on the number of units permitted by the maximum allowable density on the date of application, as follows:**
- a. 11% Very-Low Income Units for a 35% density increase; or**
 - b. 20% Low Income Units for a 35% density increase; or**
 - c. 40% Moderate Income Units for a 35% density increase in for-sale projects.**

The project may then be granted additional density increases beyond 35% by providing additional affordable housing units in the following manner:

- a. For every additional 1% set aside of Very-Low Income Units, the project is granted an additional 2.5% density increase; or**
- b. For every additional 1% set aside of Low Income Units, the project is granted an additional 1.5% density increase; or**
- c. For every additional 1% set aside of Moderate Income Units in for-sale projects, the project is granted an additional 1% density increase; or**
- d. In calculating the density increase and Restricted Affordable Units, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.**

The subject 15,334.6 square foot property is zoned R3-1 and RD2-1, which limits density to one (1) dwelling unit per 800 square feet of lot area and one (1) dwelling unit per 2,000 square feet of lot area, respectively. The permitted base density on the subject property is 14 units (9.3 [rounded up to 10] plus 3.7 [rounded up to 4]).¹ In exchange for reserving a portion of the units for affordable housing, the applicant is entitled to a maximum 35 percent density bonus by-right. The applicant is seeking an additional 166 percent density bonus (or a total of a 201 percent density bonus) through a Conditional Use to allow for the proposed 43 dwelling units to be built on the site.

Pursuant to the LAMC and California Government Code Section 65915, a Housing Development Project that sets aside a certain percentage of units as affordable, either in rental or for-sale units, shall be granted a corresponding density bonus, up to a maximum of 35 percent. While these provisions are limited to 35 percent, Government Code Section 65915(f) states that “the amount of density bonus to which an applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds percentage established.” As such, in instances where a project is seeking a density bonus increase that is more than 35 percent, the amount of required units that are set aside as affordable shall vary depending on the requested amount of density bonus. Therefore, it is appropriate that any project that requests a density bonus increase beyond 35 percent would extend the existing set-aside charts located in Section 12.22-A,25 of the LAMC. LAMC Section 12.24-U,26, which implements this provision of State law, states, as a Conditional Use, a project

¹ Assembly Bill 2501 clarifies that density calculations that result in a fractional number are to be rounded up to the next whole number. This applies to base density, number of bonus units, and number of affordable units required to be eligible for the density bonus.

may be granted additional density increases beyond the 35 percent maximum by providing additional affordable housing units. Consistent with this Section, the table below illustrates how the maximum allowable Density Bonus increases for every unit set aside for Very Low Income Households (2.5 percent density increase for every additional one (1) percent of Very Low Income units provided), based on the base density and the chart prescribed in Section 12.22-A,25 of the LAMC.

Density Bonus Percentages

Very Low Income Units (Percentage of Base Density)	Maximum Density Bonus Permitted (Based on Base Density)
5 %*	20 %*
6 %*	22.5 %*
7 %*	25 %*
8 %*	27.5 %*
9 %*	30 %*
10 %*	32.5 %*
11 %*	35 %*
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76 %*	197.5 %*
77 %*	200 %*
<u>78 %*</u>	<u>202.5 %*</u>
79 %*	205 %*
80 %*	207.5 %*

For the subject property, a 35 percent by-right density bonus would allow for 19 units (equal to an increase of five [5] units beyond the 14-unit base density) to be constructed on the project site. As illustrated in Table above, in order to qualify for the 35 percent by-right density bonus, the project would be required to set aside 11 percent of the base density, or two (2) units, for Very Low Income Households. The applicant is seeking an additional 166 percent density bonus (for a total of 201% density bonus from the base density) through a Conditional Use to allow for a total of 43 dwelling units, representing an increase of 24 units beyond what would otherwise be permitted through the by-right 35 percent density bonus. In order to obtain the additional requested 166 percent density bonus, as shown in the table above, the project must set aside at least 78 percent of the base density, equal to 10.92 units, for Very Low Income Households. The project proposes to set aside 11 units for Very Low Income Households in exchange for the requested Density Bonus.

7. The project meets any applicable dwelling unit replacement requirements of the California Government Code Section 65915(c)(3).

The project proposes the demolition of two existing duplexes (a total of four units). Per the Housing Crisis Act (SB 8) Replacement Unit Determination Letter dated June 6, 2022, three (3) of the existing units need to be replaced with equivalent type (two Very Low Income and one Low income or deeper levels of affordability). Additionally, the fourth existing unit must be replaced consistent with the City's Rent Stabilization ordinance. The project's 11 proposed Very Low Income units will fulfill the replacement housing requirements of this determination. Therefore, the project will meet the applicable dwelling unit replacement requirements of the California Government Code Section 65915(c)(3).

8. **The project's Restricted Affordable Units are subject to a recorded affordability restriction of 55 years from the issuance of the Certificate of Occupancy, recorded in a covenant acceptable to the Housing Department, and subject to fees as set forth in Section 19.14 of the LAMC.**

The proposed project has been conditioned to record a covenant for affordability restriction for the 11 Very Low Income units of a period of 55 years from the issuance of the Certificate of Occupancy, to the satisfaction of the Los Angeles Housing Department, and subject to fees as set forth in Section 19.14 of the LAMC.

9. **The project addresses the policies and standards contained in the City Planning Commission's Affordable Housing Incentives Guidelines.**

The City Planning Commission approved the Affordable Housing Incentives Guidelines (under Case No. CPC-2005-1101-CA) on June 9, 2005. The Guidelines were subsequently approved by the City Council on February 20, 2008, as a component of the City of Los Angeles Density Bonus Ordinance. The Guidelines describe the density bonus provisions and qualifying criteria, incentives available, design standards, and the procedures through which projects may apply for a density bonus and incentives. LAHD utilizes these Guidelines in the preparation of Housing Covenants for Affordable Housing Projects. The Guidelines prescribe that the design and location of affordable units be comparable to the market rate units, the equal distribution of amenities, LAHD monitoring requirements, affordability levels, and procedures for obtaining LAHD sign-offs for building permits.

The project will result in 43 new dwelling units, of which 11 will be reserved for Very Low Income Household occupancy and the remainder will be offered as market rate units. All residents of the proposed project will have access to all common and open space amenities within the building. The restricted units will comply with affordability requirements in the Guidelines set forth by LAHD in conformance with US Department of Housing and Urban Development (HUD). Additionally, as part of the building permit process, the applicant will execute a covenant to the satisfaction of LAHD who will ensure compliance with the Guidelines. Therefore, the project will address the policies and standards contained in the Guidelines.

CEQA Findings

10. **Class 32 Categorical Exemption.** The proposed project qualifies for a Class 32 Categorical Exemption because it conforms to the definition of "In-fill Projects". The project can be characterized as in-fill development within urban areas for the purpose of qualifying for Class 32 Categorical Exemption as a result of meeting five established conditions and if it is not subject to an Exception that would disqualify it. The Categorical Exception document dated July 2023 and attached to the subject case file provides the full analysis and justification for project conformance with the definition of a Class 32 Categorical Exemption.