

FINDINGS

DENSITY BONUS / AFFORDABLE HOUSING INCENTIVES/Waivers FINDINGS

1. **Government Code Section 65915 and LAMC Section 12.22 A.25(c) state that the Commission shall approve a density bonus and requested incentive(s) unless the Commission finds that:**
 - a. ***The incentives do not result in identifiable and actual cost reductions 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 reduction 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.

FAR Increase:

The subject site is zoned C1.5-1VL-CPIO and has a gross lot area of approximately 8,931 square feet which, with required setbacks, results in a net lot area of 6,130 square feet. The LAMC limits the maximum FAR to 1.5:1 which would permit 9,195 square feet of floor area. The applicant has requested an On-Menu Incentive to allow a 6:1 FAR in lieu of the otherwise permitted 1.5:1 FAR, to permit 37,025 square feet of floor area, as set forth in the following table:

	<i>FAR</i>	<i>Net Lot Area (sf)</i>	<i>Total Floor Area (sf)</i>
<i>By-right</i>	<i>1.5:1</i>	<i>6,130</i>	<i>9,195</i>
<i>Requested</i>	<i>6.1:1</i>	<i>6,130</i>	<i>37,025</i>
		<u><i>Net Increase</i></u>	<i>30,895</i>

The project proposes to construct 33 units, with 3 units reserved for Very Low Income households.

The additional FAR allows a larger building envelope and provides an additional 30,895 square feet of income generating residential floor area than would otherwise be permitted. This additional floor area would enable the project to construct additional market-rate units, of a larger size, which would reduce the marginal cost of constructing the project's share of affordable units.

Of the 33 proposed units, there would be 20 one-bedroom units, and 12 two-bedroom units, and 1 three-bedroom units. As set forth on Sheet A0.1 of the project plans, the project's upper residential levels (levels 3 through 8) would each have a floor plate of approximately 5,913 square feet. These large floor plates would not be achievable under the 1.5:1 base FAR and enable the project to construct the unit mix specified above. Without the incentive to permit additional floor area, the average unit size and bedroom count would have to be significantly smaller to construct the number of units that the requested density bonus allows. The ability to develop more units will increase the revenues from the market-rate units, which will lower the marginal cost of developing the affordable units. Therefore, the FAR incentive would result in identifiable and actual cost reductions to provide for the project's affordable housing costs.

LID

The Applicant proposes an incentive to waive the requirements of the Low Impact Development (LID)(Ordinance 181899 and 183833). LID would be required under the City of LA Ordinance for LID under Large Scale Requirements. The LID requirement would be cost-prohibitive to implement given the already high housing construction costs. In fact, after the main structure, plumbing and electrical work, the low-impact development requirements would be the priciest item to implement. Also note that a low-impact development requires planter areas that are not possible to provide given the setbacks of the project. The factors such as (a) record drought of the state, (b) costly construction cost of making deep barrels into the ground and providing permeable barriers, and (c) the lack of space to provide the necessary planters are considered in this project to conclude that a low-impact development is a necessary incentive for this project's success as a mixed-income housing project. Per Govt Code Section 65915 (k), an incentive means (1) A reduction in site development standards or a modification of zoning code requirements or architectural design requirements, (2) approval of mixed-use zoning and (3) other regulatory incentives or concessions proposed by the developer. A low-impact development happens to be regulation and this incentive is proposed as a regulatory incentive to reduce the development cost of a low-income housing project. Los Angeles Sanitation confirmed that the project does not trigger the state NPDES water permit requirements because it does not meet the threshold of the NPDES permit. Therefore it is dismissed without prejudice as it is not needed.

- b. The incentive(s) will have a specific adverse impact upon public health and safety or 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 (Government Code Section 65915(d)(1)(B) and 65589.5(d)).**

There is no substantial evidence in the record that the proposed incentive(s) 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)). As required by Section 12.22 A.25 (e)(2), the project meets the eligibility criterion that is required for density bonus projects. The project also 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. Therefore, there is no substantial evidence that the proposed incentive(s) will have a specific adverse impact on public health and safety. Analysis of the proposed Project determined that it is Categorical Exempt from environmental review pursuant to Article 19, Class 32 (Infill) of the CEQA Guidelines. The Categorical Exemption (CE) could be adopted, including, on the basis that none of the potential environmental effects of the proposed Project would cause substantial adverse effects on human beings, on public health and safety, or on property listed in the California Register of Historic Resources. Based on all of the above, there is no basis to deny the requested incentive.

c. *The incentive(s) are contrary to state or federal law.*

There is no evidence in the record that the proposed incentives are contrary to state or federal law. The NDPES Water permit incentive in this case is a part of state law, however the project does not meet the threshold to trigger its requirements and therefore the applicant request is dismissed without prejudice and the incentive is therefore not contrary to state or federal law.

Following is a delineation of the findings related to the request for eight (8) Waivers of Development Standards, pursuant to Government Code Section 65915.

2. Government Code Section 65915 and LAMC Section 12.22 A.25(c) state that the Commission shall approve a density bonus and requested Waiver of Development Standard(s) unless the Commission finds that:

a. *The waiver(s) or reduction(s) of development standard(s) are contrary to state or federal law.*

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

A project that provides 13 percent of base units for Very Low Income Households qualifies for two (2) Incentives, and 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)).

Therefore, the requests below are recommended as a Waivers of Development Standards. Without the below Waivers, the existing development standards would preclude development of the proposed density bonus units and project amenities:

Height Increase:

The subject site is zoned C1.5-1VL-CPIO. Height District No. 1VL restricts building height to a maximum of 45 feet. The applicant has requested a Waiver with respect to the CPIO building height limitation to permit a height of 89 feet from grade to the top of the parapet. The proposed building would be eight stories tall to accommodate the allowed density bonus and increased FAR. By contrast, if the base height limitation applied, it would only be possible to construct a four-story building (assuming a typical 12-foot ground level and three 10-foot residential levels). As noted above, each of the upper residential levels has an average floor plate of approximately 5,913 square feet. Therefore, the loss of five

residential levels would reduce the Project's floor area by approximately 29,565 square feet.

The loss of floor area would directly limit the project's ability to construct residential dwelling units (including affordable units) as the top five levels house 33 units. As proposed, the additional height will physically permit construction of the project at the permitted density and with the requested FAR incentive by expanding the allowable building envelope. The additional building envelope will allow for more market rate units that will subsidize the affordable units provided as part of the project, making the project financially feasible.

Transitional Height:

The South Los Angeles Implementation Overlay (CPIO) Section II-2.A.2 mandates that the project comply with transitional height requirements due to the site's adjacency to a residential lot located in the R2-1-CPIO zone. Specifically, the CPIO requires the project the entire building to be set back, or individual floors stepped back, one horizontal foot for every one vertical foot in building height as measured from 15 feet above grade at the residential property line. Because the proposal in question is for a Density Bonus Project, the transitional height is only in effect for the first 25 feet of depth from the residential property line abutting the site's northern edge.

The applicant has requested a Waiver of the transitional height requirements of the CPIO. Strict compliance with the CPIO transitional height requirements would physically preclude construction of the project at the permitted density bonus and with the permitted FAR and Height incentive. This is detailed on a Declaration Supporting Requested Incentives and Waivers submitted by the applicant as a supporting document (page 3, Exhibit H). In particular, denial of the requested waiver would require the removal of dwelling units on the upper floors in order to provide sufficient step backs from the abutting residential lot, thus physically impeding construction of the full requested 35 percent density bonus and additional 6:1 FAR increase from 1.5:1.

Side Yard Setbacks:

The project proposes a eight story building, which would require 10-foot side yard setbacks per LAMC 12.13.5B.2. The applicant has requested a Waiver of Development Standard to permit side yard setbacks of 0 feet for the first and second floors, and 5 feet for the third to seventh floors. The requested waiver would allow the project to provide the required residential and commercial parking within its building envelope. The project will provide 20 total parking spaces per AB 2345, government code 65915, at 0.5 spaces per bedroom. This parking is provided for in a building podium, with 10 spaces at grade and another 10 at the second story.

Without the requested incentive, some of the commercial parking and additional residential parking would have to be constructed underground; while the residential stories would likewise see a significant reduction in floor plate area. Therefore, the requested side yard setback waiver eliminates the need to construct additional underground parking, which physically impedes construction of the full requested 35 percent density bonus.

Rear Yard Setbacks:

The project proposes a eight -story building, which would require 20-foot rear yard setbacks per LAMC § 12.13 5B.2. The applicant has requested a Waiver of Development Standard to permit rear yard setbacks of 5 feet for the first and second floors, and 10 feet

for the third to seventh floors. The requested waiver would allow the project to provide the required residential and commercial parking within its building envelope. The project will provide 20 total parking spaces per AB 2345. This parking is provided for in a building podium, with 10 spaces at grade and another 10 at the second story.

Without the requested incentive, some of the commercial parking and additional residential parking would have to be constructed underground; while the residential stories would likewise see a significant reduction in floor plate area. Therefore, the requested side yard setback waiver, if denied, would physically impede construction of the full requested 35 percent density bonus.

Open Space:

The project proposes 33 total units, consisting of twenty (20) one-bedroom units, ten (12) two-bedroom units, and one (1) three-bedroom unit. Per LAMC § 12.21 G2, a project is required to provide 100 square feet for each unit having less than three habitable rooms; 125 square feet for each unit having three habitable rooms; and 175 square feet for each unit having more than three habitable rooms. In total, this requires the project to provide 3,675 square feet of open space. The applicant has requested a Waiver of Development Standard to permit 2,048 square feet of open space, in lieu of the required 3,675 square feet of open space.

Without the requested incentive, and per the applicant's Declaration Supporting Requested Incentives and Waivers, the project will not be able to provide its unit total as Type III construction is limited to five stories above a concrete podium. As proposed, the project already consists of six stories of Type III construction over a two-story concrete podium. Therefore, the requested open space reduction eliminates the need to construct additional levels of Type 1 construction, physically enabling construction of the full requested 35 percent density bonus.

Passageway Width:

Per LAMC § 12.21 C.2(b), "there shall be a passageway of at least 10 feet in width extending from a street to one entrance of each dwelling unit or guest room in every residential building... [and] The passageway shall be increased by two feet in width for each story over two contained in any building located between the public street and the building which the passageway serves." As the project proposes a eight-story building, the resultant passageway leading to the residential lobby would be 22 feet wide. The applicant has requested a Waiver of Development Standard to permit a 86% reduction, with the resultant passageway being 3 feet.

Without the requested Waiver and per the applicant's Declaration Supporting Requested Incentives and Waivers, the project will not be able to provide its commercial component and accommodate the necessary driveway width for vehicular access to its at-grade and second story parking. Further, the Bureau of Engineering requirement of a landing space of 20 feet by 20 feet in front of the driveway for the transformer would preclude a portion of the passageway (walking access on top on of the transformer is not allowed for safety reasons by the Department of Water and Power). Therefore, the requested passageway width waiver eliminates the need to construct additional underground parking, which would physically impede construction of the full requested 35 percent density bonus.

Commercial Frontage:

In order to qualify for an exemption from a conditional use approval under LAMC § 12.22 A.23(d), the subject proposal needs to meet the definition of a Mixed Use Project. Per LAMC § 13.09 B.3, this is defined as a project combining one or more Commercial Uses and multiple dwelling units in a single building or in a Unified Development and which provides the following:

- (1) separate, Ground Floor entrance to the residential component, or a lobby that serves both the residential and Commercial Uses components; and
- (2) A pedestrian entrance to the Commercial Uses component that is directly accessible from a public street, and that is open during the normal business hours posted by the business.

A minimum of 35 percent of the Ground Floor Building Frontage abutting a public commercially zoned street, excluding driveways or pedestrian entrances, must be designed to accommodate Commercial Uses to a minimum depth of 25 feet.

Per Exhibit A, the project will provide one commercial unit and multiple dwelling units in a single building. This includes a separate entrance for the residential (via a residential lobby) and commercial components. Both will be directly accessible from the project's only street frontage off of Gramercy Place. As the street frontage of the subject site is 50 feet, the required width of the commercial frontage would be 17.5 feet. The applicant has requested a Waiver of Development Standard to permit a 43% reduction, with the resultant commercial frontage being 10 feet.

Without the requested incentive, and per the applicant's Declaration Supporting Requested Incentives and Waivers (Exhibit H), the project will not be able to provide its commercial component and accommodate the necessary driveway width for vehicular access to its at-grade and second story parking. Therefore, the requested commercial frontage waiver eliminates the need to construct additional underground parking, which would physically impede construction of the full requested 35 percent density bonus.

Landscape Buffer:

The South Los Angeles CPIO Section II-2.C.4 mandates that the project include a 5 foot landscape buffer, to "be provided between the Project site and any abutting lot zoned RD1.5 or a more restrictive zone." This 5-foot landscape buffer is required along the northern edge of the site, which abuts the RD2-1-CPIO zone. The applicant has requested a Waiver of this landscape buffer in its entirety.

Without the requested incentive, and per the applicant's Declaration Supporting Requested Incentives and Waivers (Exhibit H), the project will not be able to provide a 3 foot 8 inch clear passageway, required for egress from the building's rear stairwell. Reserving an additional five feet of the site's width for this landscape buffer would also prevent the design from accommodating its commercial frontage and lobby passageway components, both of which have already been reduced (see waiver findings above). Alternately, the buffer would eat into the necessary driveway width for vehicular access to its at-grade and second story parking. Therefore, the requested Landscape buffer waiver eliminates the need to construct additional underground parking, which would physically impede construction of the full requested 35 percent density bonus.

Ground Floor Height:

The South Los Angeles CPIO Section II-2.A.1(b) mandates that “the Ground Floor shall have a minimum height of 14 feet, measured from the finished floor to the underside of the structural floor... above.” It also stipulates that, “for Projects with Active Floor Area, the Ground Floor shall have a minimum height of 11 feet, measured from the finished floor to the finished ceiling.” While the project provides Active Floor Area in the form of a commercial space, the 14 foot minimum height still prevails. The applicant has requested a Waiver to reduce the clearance height to 10 feet.

Without the requested incentive, and per the applicant’s Declaration Supporting Requested Incentives and Waivers (Exhibit H), the project will not be able to provide sufficient clearance in plan for the access ramp leading to the second story parking level. Therefore, the requested Ground Floor height waiver would physically enable construction of the full requested 35 percent density bonus.

- b. The waiver will have specific adverse impact upon public health and safety or on 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 the general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.***

There is no substantial evidence in the record that the proposed waiver(s) 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)). As required by Section 12.22 A.25 (e)(2), the project meets the eligibility criterion that is required for density bonus projects. The project also 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 does not involve the demolition of a historic structure that was placed on a national, state, or local historic register prior to the submission of the application. Therefore, there is no substantial evidence that the proposed waivers of development standards will have a specific adverse impact on public health and safety.

- c. The incentive(s) are contrary to state or federal law.***

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