

## FINDINGS

### Density Bonus/Affordable Housing Incentives Compliance Findings

1. Pursuant to Section 12.22 of the LAMC and Section 65915 of the California Government Code, the City shall approve a density bonus and requested incentive(s) unless it finds that:

- a. ***The Incentive(s) does 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 Director to make a finding that the requested incentives do not result in identifiable and actual cost reductions 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 project substantially complies with the applicable regulations, standards, and provisions of the State Density Bonus Program. The project includes 20 percent of the project's base density as Very Low Income restricted affordable units, for a total three (3) residential units. No substantial evidence has been entered into the record indicating that any of the requested Off-Menu Incentives do not result in identifiable and actual cost reductions to provide for the project's affordable housing costs (as defined in California Health and Safety Code Sections 50052.5 or 50053) and/or accommodate the restricted very low-income unit rents.

In exchange for providing at least 15 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 FAR increase, reduced side yard setbacks and height increase qualify as requested Incentives.

### Floor Area Ratio

The subject property is zoned R3-1 which limits the property to an FAR of 3 to 1. Thus, pursuant to LAMC Section 12.22-A, the applicant is requesting an On-Menu incentive to allow a FAR increase from 3:1 to 3.54:1 to allow 27,313 square feet in floor area.

The requested increase in FAR will allow for the construction of affordable units in addition to larger-sized dwelling units. 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 affordable units can be constructed, and the overall space dedicated to residential uses is increased. The increased building envelope also ensures that all dwelling units are of a habitable size while providing a variety of unit types. The increased floor area allows certain fixed development costs to be spread out over more floor area resulting in a lower per-square-foot development cost. In addition, the additional floor area allows the construction of additional market rate floor area whose rents will support the operational costs of the affordable units. This Incentive supports the applicant's decision to set aside a minimum three (3) dwelling units for Very Low Income Households for 55 years.

### Side Yard Setback

The subject property is zoned R3-1 which permits the subject property a side yard setback of eight (8) feet. Thus, pursuant to LAMC Section 12.22-A,25 the applicant is requesting an On-Menu incentive to allow a 20 percent reduction in required side yard setbacks to allow a setback of six (6) feet and five (5) inches in lieu of the otherwise required eight (8) foot setback.

The requested reduction in side yard setback will allow for the construction of affordable units in addition to larger-sized dwelling units. 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 affordable units can be constructed, and the overall space dedicated to residential uses is increased. The increased building envelope also ensures that all dwelling units are of a habitable size while providing a variety of unit types. The increased floor area allows certain fixed development costs to be spread out over more floor area resulting in a lower per-square-foot development cost. In addition, the additional floor area allows the construction of additional market rate floor area whose rents will support the operational costs of the affordable units. This Incentive supports the applicant's decision to set aside a minimum three (3) dwelling units for Very Low Income Households for 55 years.

### Height

The subject property is zoned R3-1 which limits the property to maximum height of 45 feet. The project is also located within 50 feet from an R1 Zone. Thus, pursuant to LAMC Section 12.22-A,25 the applicant is requesting an Off-Menu Incentive to allow a maximum height of 55 feet and six (6) inches in lieu of the otherwise required 45 feet and to allow increased height for portions of the building that are within 50 feet of an R1-Zoned lot.

The requested incentive to allow increased height requirements will allow for the construction of affordable units within a zone that allows for such uses. Granting of the incentive would result in a building design and construction efficiencies that provide for affordable housing costs; it enables the developer to be able to utilize the sites full potential so that additional affordable units can be constructed and the overall space dedicated to residential uses is increased through the increased height from 45 maximum feet to 55 feet and six (6) inches in height. The increased building envelope also ensures that all dwelling units are of a habitable size while providing a variety of unit types. This Incentive supports the applicant's decision to set aside a minimum three (3) dwelling units for Very Low Income Households for 55 years.

***b. The Incentive(s) and/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 incentives and 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. Accordingly, the project will not have a significant impact on any on-site resource or any resource in the surrounding area. The property is not

located on a substandard street in a Hillside area or in a Very High Fire Hazard Severity Zone, Methane Zone, or any other special hazard area; accordingly, the project will not have a specific adverse impact upon public health and safety or the physical environment. The project is required to comply with all other pertinent regulations including those governing construction, use, and maintenance, and will not create any significant direct impacts on public health and safety. Therefore, there is no substantial evidence that the proposed project, and thus the requested incentives and waivers, will have a specific adverse impact on the physical environment, on public health and safety or the physical environment, or on any Historical Resource.

***c. The Incentive(s) and/or Waivers is/are contrary to State/federal law.***

There is no substantial evidence in the record indicating that the requested Incentives and Waivers are contrary to any State or federal laws.