

PROJECT BACKGROUND

The project site consists of two rectangular lots with 100 feet of street frontage along the west side of South Ardmore Avenue and a uniform depth of 135 feet, for a total lot size of 13,520.80 square feet. The project site is located within the Wilshire Community Plan, zoned R4-1, and designated for High Medium Residential land uses. The site is located within the City of Los Angeles Transit Priority Area and the Community Redevelopment Agency Los Angeles' (CRA/LA) Wilshire Center/ Koreatown Redevelopment area which does not regulate residential density. The site is not located in a historic district and is not identified as a historic resource. Ordinance No. 65,802 approved on January 29, 1921 ordered the establishment of a five (5)-foot set-back line on Ardmore Avenue along the easterly side of the subject property. The site is located approximately 0.94 kilometers from the Puente Hills Blind Thrust Fault.

The site is currently developed with a two (2)-story single-family dwelling built in 1922 and a multi-family built-in 1964. On June 19, 2020, the applicant submitted applications to the Los Angeles Department of Building and Safety (LADBS) for a new seven (7)-story type IA/IIIA, 54-unit apartment building over one (1) level of subterranean and one (1) at grade level parking garages with six (6) extremely low income-restricted units in TOC Tier 3 area (Permit #20010-10000-00602) and Temporary shoring for a new structure (Permit #20020-10000-00951).

Properties in the immediate surrounding area are zoned R4-1 and developed with single and multi-family residential structures ranging from two to five stories in height and a vacant lot. Abutting property to the north is developed with a two (2)-story apartment building. Abutting property to the south is a vacant lot. Adjoining properties to the east across Ardmore Avenue are developed with two (2)-story and four (4)-story apartment building and a two (2)-story single-family dwelling. Abutting property to the west are developed with two (2)-story single-family dwellings. The site is also located approximately 600 feet from the Hobart Boulevard Early Education Center and Elementary School and approximately 100 feet from Seoul International Park Recreation Center and Playground.

The proposed project is for the construction, use, and maintenance of a seven-story residential structure over one level of subterranean parking garage, containing 54 dwelling units, including six (6) units reserve for Extremely Low Income Households and 48 market-rate units, two (2) of which are reserved for market rate RSO units. The building will be a maximum of 78 feet 6 inches, as measured from grade to the top of parapet, and contain approximately 42,507 square feet of floor area with a floor area ratio (FAR) of 4.5:1. The unit mix will be comprised of 19 studio units, 26 one-bedroom units, and nine (9) two-bedroom units. The project will provide 50 vehicular parking spaces located at grade and within one level of subterranean parking garage. The project will also provide 54 long-term and 5 short-term bicycle parking spaces. The project will provide a total of 4,619 square feet of open space, including 2,731.90 square feet roof decks, 935.10 square feet of common indoor community area and gym, and 950 square feet of private balconies. The project proposes the removal of one (1) street tree to be replaced with one (1) non-protected tree located along Ardmore Avenue. The project proposes grading of 7,500 cubic yards of earth and exporting approximately 7,000 cubic yards of earth.

The applicant is seeking approval of the following Base and Additional Incentives of the Transit Oriented Communities (TOC) Affordable Housing Incentive Program:

- Base Incentives:
 - A 63% increase in density to allow 54 units in lieu of 34 base units.
 - A minimum of 50 automobile parking spaces required for a 54-unit residential development.

- A 50% increase in floor area to allow 42,507 square feet in lieu of 28,350 square feet.
- Additional Incentives
 - Side Yard Setbacks. A reduction in the minimum northerly and southerly side yard setbacks to permit 7 feet, in lieu of 10 feet as otherwise required by LAMC Section 12.11 C.2.
 - Rear Yard Setback. A reduction to the westerly rear yard setback to permit a minimum of 13.3 feet, in lieu of the minimum 19 feet as otherwise required by LAMC Section 12.11 C.3.
 - Open Space. A 25-percent reduction in the usable open space to require a minimum of 4,219 square feet in lieu of the minimum 5,625 square feet as otherwise required by LAMC Section 12.21 G.2.

HOUSING REPLACEMENT (SB 330 DETERMINATION) BACKGROUND

On October 9, 2019, Governor Gavin Newsom signed into law the Housing Crisis Act of 2019 (SB 330). SB330 requires projects that meet the criteria per California Government Code Section 65589.5(h)(2)(B) filed as of January 1, 2020 to demonstrate compliance with the housing replacement provisions which require replacement of dwelling units that either exist at the time of application of a project, or have been vacated or demolished in the ten-year period preceding the application of the project. This applies to all pre-existing units that have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control; or occupied by Low or Very Low Income Households.

Pursuant to the SB 330 (TOC) Determination Letter dated August 12, 2019 and prepared by the Los Angeles Housing and Community Investment Department (HCIDLA), two (2) market rate RSO replacement units and five (5) affordable units need to be replaced with equivalent type, with two (2) units restricted for Extremely Low Income Households, two (2) units restricted for Very Low Income Households, and one (1) unit reserved for Low Income Households. The project proposes six (6) units restricted for Extremely Low Income Households. As such, the project complies with SB 330.

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. The measure required that the Department adopt a set of TOC Guidelines, which establishes incentives for residential and mixed-use projects located within ½ mile of a major transit stop. Major transit stops are defined under existing State law.

The TOC Affordable Housing Incentive Program Guidelines (TOC Guidelines), released on 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.

The project site is located less than 2,470 feet from the Metro Purple Line Wilshire/Normandie Station, which qualifies the site as Tier 3 TOC Affordable Housing Incentive Area. As such, the project is eligible for Tier 3 TOC Affordable Housing Incentives.

TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM ELIGIBILITY REQUIREMENTS

To be an eligible TOC Housing Development, a project must meet the Eligibility criteria set forth in Section IV of the TOC Guidelines. A Housing Development located within a TOC Affordable Housing Incentive Area shall be eligible for TOC Incentives if it meets all of the following requirements, which it does:

1. ***On-Site Restricted Affordable Units.*** *In each Tier, a Housing Development shall provide On-Site Restricted Affordable Units at a rate of at least the minimum percentages described below. The minimum number of On-Site Restricted Affordable Units shall be calculated based upon the total number of units in the final project.*
 - a. *Tier 1 - 8% of the total number of dwelling units shall be affordable to Extremely Low Income (ELI) Households, 11% of the total number of dwelling units shall be affordable to Very Low (VL) Income Households, or 20% of the total number of dwelling units shall be affordable to Lower Income Households.*
 - b. *Tier 2 - 9% ELI, 12% VL or 21% Lower.*
 - c. *Tier 3 - 10% ELI, 14% VL or 23% Lower.*
 - d. *Tier 4 - 11% ELI, 15% VL or 25% Lower.*

As previously mentioned, the project qualifies for Tier 3. As such, the project is required to reserve at least 10 percent, or six (6) units, of the 54 total units for Extremely Low Income Households. The project proposes to reserve six (6) units for Extremely Low Income Households. As such, the project satisfies the eligibility requirement for On-Site Restricted Affordable Units.

2. ***Major Transit Stop.*** *A Housing Development shall be located on a lot, any portion of which must be located within 2,640 feet of a Major Transit Stop, as defined in Section II and according to the procedures in Section III.2 of the TOC Guidelines.*

A Major Transit Stop is a site containing a rail station or the intersection of two or more bus routes with a service interval of 15 minutes or less during the morning and afternoon peak commute periods. The project site is located less than 2,470 feet from the Metro Purple Line Wilshire/Normandie Station with trips scheduled every 10 minutes, which qualifies the site as Tier 3 TOC Affordable Housing Incentive Area. As such, the project meets the eligibility requirement for proximity to a Major Transit Stop.

3. ***Housing Replacement.*** *A Housing Development must meet any applicable housing replacement requirements of California Government Code Section 65915(c)(3), as verified by the Department of Housing and Community Investment (HCIDLA) prior to the issuance of any building permit. Replacement housing units required per this section may also count towards other On-Site Restricted Affordable Units requirements.*

Pursuant to the SB 330 (TOC) Determination Letter dated August 12, 2019 and prepared by the Los Angeles Housing and Community Investment Department (HCIDLA), five (5) units need to be replaced with equivalent type, with two (2) unit restricted to Extremely Low Income Households, two (2) unit to Very Low Income Household, and one (1) unit to Low Income Households and two (2) market rate RSO replacement units. As such, the project complies with SB 330.

4. **Other Density or Development Bonus Provisions.** *A Housing Development shall not seek and receive a density or development bonus under the provisions of California Government Code Section 65915 (State Density Bonus law) or any other State or local program that provides development bonuses. This includes any development bonus or other incentive granting additional residential units or floor area provided through a General Plan Amendment, Zone Change, Height District Change, or any affordable housing development bonus in a Transit Neighborhood Plan, Community Plan Implementation Overlay (CPIO), Specific Plan, or overlay district.*

The project is not seeking any additional density or development bonuses under the provisions of the State Density Bonus Law or any other State or local program that provides development bonuses, including, but not limited to a General Plan Amendment, Zone Change, Height District Change, or any affordable housing development bonus in a Transit Neighborhood Plan, Community Implementation Overlay (CPIO), Specific Plan, or overlay district. As such, the project meets this eligibility requirement.

5. **Base Incentives and Additional Incentives.** *All Eligible Housing Developments are eligible to receive the Base Incentives listed in Section VI of the TOC Guidelines. Up to three Additional Incentives listed in Section VII of the TOC Guidelines may be granted based upon the affordability requirements described below. For the purposes of this section below, “base units” refers to the maximum allowable density allowed by the zoning, prior to any density increase provided through these Guidelines. The affordable housing units required per this section may also count towards the On-Site Restricted Affordable Units requirement in the Eligibility Requirement No. 1 above (except Moderate Income units).*

- a. *One Additional Incentive may be granted for projects that include at least 4% of the base units for Extremely Low Income Households, at least 5% of the base units for Very Low Income Households, at least 10% of the base units for Lower Income Households, or at least 10% of the base units for persons and families of Moderate Income in a common interest development.*
- b. *Two Additional Incentives may be granted for projects that include at least 7% of the base units for Extremely Low Income Households, at least 10% of the base units for Very Low Income Households, at least 20% of the base units for Lower Income Households, or at least 20% of the base units for persons and families of Moderate Income in a common interest development.*
- c. *Three Additional Incentives may be granted for projects that include at least 11% of the base units for Extremely Low Income Households, at least 15% of the base units for Very Low Income Households, at least 30% of the base units for Lower Income Households, or at least 30% of the base units for persons and families of Moderate Income in a common interest development.*

The project is seeking three (3) Additional Incentives for reduced side yard setbacks, reduced rear yard setback, and reduction in usable open space, which requires at least 11 percent, or four (4) units, of the 34 base units to be set aside for Extremely Low Income Households. The project proposes to set aside six (6) dwelling units for Extremely Low Income Households, which is 17 percent of the 34 base units. As such, the project meets the eligibility requirement for three Additional Incentives.

6. **Projects Adhering to Labor Standards.** *Projects that adhere to the labor standards required in LAMC 11.5.11 may be granted two Additional Incentives from the menu in Section VII of these Guidelines (for a total of up to five Additional Incentives).*

The project is not seeking two Additional Incentives beyond the three permitted in exchange for reserving six (6) dwelling units for Extremely Low Income Households, which is 17 percent of the 34 base units. As such, the project need not adhere to the labor standards required in LAMC Section 11.5.11, and this eligibility requirement does not apply.

7. **Multiple Lots.** *A building that crosses one or more lots may request the TOC Incentives that correspond to the lot with the highest Tier permitted by Section III above.*

The project site consists of two lots which are located within a Tier 3 TOC Affordable Housing Incentive Area. As such, this eligibility requirement does not apply.

8. **Request for a Lower Tier.** *Even though an applicant may be eligible for a certain Tier, they may choose to select a Lower Tier by providing the percentage of On-Site Restricted Affordable Housing units required for any lower Tier and be limited to the Incentives available for the lower Tier.*

The applicant has not selected a Lower Tier and is not providing the percentage of On-Site Restricted Affordable Housing units required for any lower Tier. As such, this eligibility requirement does not apply.

9. **100% Affordable Housing Projects.** *Buildings that are Eligible Housing Developments that consist of 100% On-Site Restricted Affordable units, exclusive of a building manager's unit or units shall, for purposes of these Guidelines, be eligible for one increase in Tier than otherwise would be provided.*

The proposed project does not consist of 100 percent On-Site Restricted Affordable units. As such, this eligibility requirement does not apply.

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 (TOC) 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 incentives 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 incentives in the TOC Guidelines were pre-evaluated at the time the TOC 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. The following incentives allow the developer to reduce side yard and rear setbacks and usable open space so that affordable housing units reserved for Extremely Low Income Households can be constructed and the overall space dedicated to residential uses is increased. These incentives support the applicant's decision to reserve six (6) of 54 total units for Extremely Low Income Households.

Side Yards: The applicant requests reductions in the northerly and southerly side yard setbacks to permit 7 feet in lieu of the minimum 10 feet as otherwise required by LAMC Section 12.11 C.2. This incentive is expressed in the Menu of Incentives in the TOC Guidelines which permit exceptions to zoning requirements that result in building design or construction efficiencies that facilitate affordable housing costs.

Rear Yard: The applicant requests a reduction in the westerly rear yard setback to permit 13.3 feet in lieu of the minimum 19 feet as otherwise required by LAMC Section 12.11 C.3. This incentive is expressed in the Menu of Incentives in the TOC Guidelines which permit exceptions to zoning requirements that result in building design or construction efficiencies that facilitate affordable housing costs.

Open Space: The applicant requests a 25-percent reduction in the usable open space to require a minimum of 4,219 square feet in lieu of the minimum 5,625 square feet as otherwise required by LAMC Section 12.21 G.2. The requested open space incentive is expressed in the Menu of Incentives in the TOC Guidelines which permit exceptions to zoning requirements that result in building design or construction efficiencies that facilitate affordable housing costs. The requested incentive allows the inclusion of affordable housing while still providing usable open space as intended by the Code.

- b. **The Incentive will not 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 in the record 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 finding that there is no evidence in the record that the proposed incentives will have a specific adverse impact is further supported by the CEQA findings. The findings to deny an incentive under Density Bonus Law are not equivalent to the findings for determining the existence of a significant unavoidable impact under CEQA. However, under a number of CEQA impact thresholds, the City is required to analyze whether any environmental changes caused by the project have the possibility to result in health and safety impacts. For example, CEQA Guidelines Section 15065(a)(4), provides that the City is required to find a project will have a significant impact on the environment and require an EIR if the environmental effects of a project will cause a substantial adverse effect on human beings. The proposed project and potential impacts were analyzed in accordance with the State CEQA Statute and Guidelines. Analysis of the proposed project determined that the project is Categorical Exempt from environmental review pursuant to Article

19, Class 32 of the State CEQA Statute and Guidelines. Furthermore, the project was evaluated against the exceptions to use of Categorical Exemptions pursuant to Section 15300.2 of the State CEQA Statute and Guidelines 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 upon public health and safety or the environment, or on any real property that is listed in the California Register of Historical Resources.

ENVIRONMENTAL FINDINGS

The Department of City Planning determined that the proposed project is exempt from CEQA pursuant to State CEQA Statute and Guidelines, Article 19, Section 15332 (Class 32 Urban In-Fill Development), and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to State CEQA Statute and Guidelines, Section 15300.2 applies.

A project qualifies for a Class 32 Categorical Exemption if it is developed on an infill site and meets the following criteria:

- (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.

There are five (5) exceptions which the City is required to consider before finding a project exempt under Class 15332: (a) Cumulative Impacts; (b) Significant Effect; (c) Scenic Highways; (d) Hazardous Waste Sites; and (e) Historical Resources.

See *Justification for Categorical Exemption Case No. ENV-2020-351-CE* in the case file for the narrative demonstrating that the proposed project meets the five criteria under Class 32 and that exceptions do not apply.