



February 15, 2022

Planning and Land Use Management Committee
Attn.: Armando Bencomo, Legislative Assistant
200 N. Spring St., Suite 395
Los Angeles, CA 90012

RE: Property Address: 1169 S. Palms Blvd.; 1801-1821 S. Penmar Ave.
Case: VTT-82077-SL-1A
Environmental: ENV-2020-4774-CE-1A
Council File: 21-1495

Members of the PLUM Committee:

Crest Real Estate, LLC represents 1169 Palms, LLC (the Applicant) and owner of the subject property located at 1169 S. Palms Blvd. and 1801-1821 S. Penmar Ave. in Venice. The Applicant intends to improve the subject property with an 8-lot subdivision bungalow-court project with 7 small-lot homes and a detached parking garage with 7 parking spaces.

I. Background

On August 31, 2021, the Advisory Agency approved Vesting Tentative Tract Map No. 82077 SL for an 8-lot subdivision bungalow-court project with 7 small-lot homes and a detached parking garage with 7 parking spaces. Additionally, the City determined that the Project was exempt from review under the California Environmental Quality Act (CEQA) and qualified for a Class 1 Categorical Exemption (CE).

The Advisory Agency's Decision was appealed to the West Los Angeles Area Planning Commission by the East Venice Neighborhood Association (EVNA). On November, 17, 2021, the WLAAPC held a hearing to consider the merits of the appeal. After consideration, the WLAAPC voted to deny the appeal. In its January, 20, 2022 Corrected Letter of Determination, the WLAAPC substantiated its denial of the appeal. EVNA further appealed the WLAAPC's determination that the project qualifies for the CEQA exemption.

As discussed below, the approved Small Lot Subdivision is categorically exempt from environmental review as an adaptive re-use project and does not present any unusual circumstances that would make the categorical exemption inapplicable. The appeal of the City's adoption of the CE lacks merit and should be denied.

II. Justifications for the Approved Project

The approved small-lot subdivision project will allow for smart growth in the East Venice neighborhood by preserving the existing bungalow homes and providing an opportunity for first-time homebuyers to purchase a residence rather than rent. The intent of the Bungalow Court Small Lot provisions was to preserve this specific typology of home. The applicant's goal has always been to preserve these existing structures. The applicant went through the plan check process and permitted the homes in order to maintain the existing buildings in conformance with LAMC Section 12.23-A (Nonconforming Buildings and Uses). In addition, the street dedications and improvements are regulated by the Bureau of Engineering (BOE) and are not under the authority of the Department of City Planning.

- a. The Project will be consistent with and promote the following goals, objectives and policies of the General Plan Framework Element and Housing Element:

Policy 4.1.8 – Create incentives and reduce regulatory barriers in appropriate locations in order to promote the adaptive re-use of structures for housing and rehabilitation of existing units.

The Applicant utilized the Small Lot Ordinance for Existing Dwelling Units in order to preserve the bungalow court as Small Lot Subdivisions. The intent was to allow the preservation and adaptive reuse of existing bungalow courts for the conversion into fee-simple structures for home ownership. In 2008, the City approved a Small Lot Subdivision for the conversion of the historic Maltman Bungalow Courts into individual "small lots" so that they could be preserved through ownership of the individual units. Bungalow Courts were typically built as individual units on one large lot as rental homes. However, many are deteriorating and currently require multiple variances or exceptions to enable their preservation and rehabilitation. The subject project is an example of how the Applicant is reusing one of L.A.'s original small lots to become a reality through the Small Lot Ordinance. With the Small Lot Ordinance, the Applicant is able to utilize this provision of the code to subdivide existing bungalow courts into Small Lot Homes since the property contains four or more older detached dwelling units on a single lot with Certificate of Occupancy issued prior to 1950. The Applicant has followed the city's requirements in regards to allowing the existing nonconforming bungalow courts to retain their non-conforming rights as to yards, parking, driveway access, passageways and density (per Section 12.23 A of the Municipal Code).

Goal 1: A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, health, sanitary and affordable to people of all income levels, races, ages, and suitable for their various needs.

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

Crest Real Estate

Policy 1.13: Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households.

Policy 1.14: Expand opportunities for residential development particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.

The Project preserves the housing stock within the East Venice area of West Los Angeles as it will not demolish any existing residential units. In addition, it will introduce fee-simple home ownership opportunities to Venice, and will expand opportunities for first-time home buyers within the West Los Angeles area in order to meet current and projected needs.

Objective 2.4 – Promote livable neighborhoods with a mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City

Policy 2.4.1 – Promote preservation of neighborhood character in balance with facilitating new development

The Project is approved under the “Bungalow Court” Small Lot provisions, which were intended to incentivize the preservation of this unique typology and neighborhood character on sites that are in danger of being cleared for new development of likely fewer units or a large single-family dwelling.

The City’s 2013-2021 Housing Element (adopted by the City Council on December 3, 2013) states that the population of Los Angeles is expected to increase by over 140,000 persons from 2012 to 2021. This increasing population exacerbates an ongoing deficit between the growth of housing units and the population growth that occurred between 1980 and 2010.¹ The City is expected to need an additional 82,002 new units through 2021. Further, according to Mayor Eric Garcetti’s 2015 Sustainable City pLAn, issued April 2015, “If we do not act to increase in supply of housing units, the Department of City Planning estimates that Los Angeles could have a backlog of over 100,000 units by 2021.”²

In March 2021, the California State Department of Housing and Community Development (HCD) approved the Sixth Cycle RHNA Plan prepared by the Southern California Association of Government (SCAG) for year 2021 through 2029. According to the approved 2021-2029 RHNA plan, the City of Los Angeles is expected to need an additional 456,643 new units through 2029.

The Housing Element of the General Plan encourages the production of housing,

¹ Page 1-34 of the City of Los Angeles Housing Element

² <https://www.lacity.org/highlights/sustainable-city-plan>, Accessed February 2022

Crest Real Estate

and the proposed Project is consistent with the all-encompassing Goal 1, stated above. Indeed, in Chapter 6 “Housing Goals, Objectives, Policies and Programs,” the Housing Element proclaims that it is the “overall housing goal of the City of Los Angeles to create for all residents a city of livable and sustainable neighborhoods with a range of housing types, sizes and costs in proximity to jobs, amenities, and services.”

In its Executive Summary, the Housing Element observes that the City continues to grow and with growth comes the need for more housing – not only more units, but a broader array of housing types to meet evolving household types and sizes. Growth and residential development must be accommodated in a sustainable way, while at the same time assuring all residents a high quality of life, a vibrant economy and accessibility to jobs, open space, and urban amenities. The Housing Element recognizes that the “City’s General Plan lays out the strategy to meet this challenge, by directing growth to urban infill opportunities and supporting the growth with smart, sustainable infill development and infrastructure investments.”

The proposed Project is consistent with the City’s housing strategy that seeks to direct growth to urban infill areas that offer opportunities related to jobs, transportation, and other amenities. As stated, the Project preserves the existing housing units and helps to address the housing shortage described in the Housing Element.

Goal 2: A City in which housing helps to create safe, livable and sustainable neighborhoods.

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

Policy 2.2.3: Promote and facilitate a jobs/housing balance at a citywide level.

Objective 2.4: Promote livable neighborhoods with mix of housing types, quality design and a scale and character that respects unique residential neighborhoods in the City.

Policy 2.4.2: Develop and implement design standards that promote quality development

The Project will promote a sustainable neighborhood where the residential units are in proximity to jobs, amenities, services, and public transit. The proposed Project will provide additional fee-simple homeownership opportunities to the City’s housing stock, thereby promoting and facilitating an improved jobs/housing balance. The Project will provide a premium housing location for current and future Westside employees.

Crest Real Estate

The project would support sustainable design through development that would optimize site energy efficiency, water conservation, and runoff water quality. The existing units are being preserved and rehabilitated subject to the Building Code. The project would meet the applicable requirements of Title 24, the Green Building Code, as well as the City's Low Impact Development stormwater mitigation ordinance. The construction and operation of the overall project would require less electricity, natural gas and transportation energy.

b. The Project will be consistent with the Applicable Guidelines of the Venice Community Plan:

Objective 1-1 – To provide for the preservation of the housing stock and its expansion to meet the diverse economic and physical needs of the existing residents and projected population of the Plan area to the year 2010.

The project will allow the preservation and adaptive reuse of existing bungalow courts for conversion into fee-simple structures for home ownership. The approved project is in conformance with the Community Plan as it continues to implement and respect the adopted zoning on the site while preserving the existing bungalow court homes and creating a hybrid housing typology. The project will provide much needed fee-simple homes and provide a mix of housing options by providing smaller homes that will generally be more affordable than a traditional single-family home in the immediate neighborhood.

Policy 1-1.3 – Protect existing single-family residential neighborhoods from new out of scale development and other incompatible uses.

The approval of the subject Project will result in the preservation of this unique housing typology and maintain the existing neighborhood character on the subject site which was in danger of being cleared for new development.

Policy 1-1.4 – Promote the preservation of existing single-family and multi-family neighborhoods.

The approved Project presents the chance for existing buildings, such as the bungalow homes in this instance, to feasibly change with the times, and therefore continue to contribute to the architectural diversity of the city and serve as community assets into the future. Moreover, the Project will provide an opportunity to the neighborhood to grow while reusing existing buildings that help contribute to the look, feel and identity of the East Venice community.

Objective 1-3 – To preserve and enhance the varied and distinct residential character and integrity of existing residential neighborhoods.

The approved Project will support a diversity of housing choices within the neighborhood relating to unit size, number of bedrooms and ownership. The small

Crest Real Estate

lot subdivision style of development provides benefits of a single-family home and full fee-simple ownership. As such, it helps to meet an alternative niche market to the single family and condominium housing markets. The bungalow homes would also facilitate first-time homebuyers entering the market compared to traditional single-family homes in the neighborhood.

c. The Project will be consistent with the goals and intent of the City's Adaptive Reuse Ordinance:

Many experts estimate that California has a shortage of around 3 million housing units.³ Per the Regional Housing Needs Assessment (RHNA), the Southern California region has a responsibility to plan for over 1.3 million new units between 2021 and 2029, of which the City of Los Angeles accounts for over 455,000 units.⁴ The magnitude of this housing target cannot be overstated – in the city's history, only 420,000 units were built at the peak of housing production over the course of 20 years between 1960 and 1980.⁵ Amid a deep housing shortage, adaptive reuse provides a means to convert buildings into much-needed housing, including for home ownership.

The proposed project will build on the intent of the adaptive reuse ordinance in Los Angeles by reusing the existing Bungalow Courts. The applicant complied with the requirements of the Bungalow Court Small Lot regulations which allow the adaptive-reuse of the development and retain the nonconforming rights as to the yards, parking, driveway access, passageways, and density per Section 12.23-A of the Municipal Code. Furthermore, the adaptive reuse and small lot subdivision style of development provides benefits of a single-family home and full fee-simple ownership with the conveniences of a townhouse lifestyle. As such, it helps to meet an alternative niche market to the single family and condominium housing markets. Further, the approved project adds to the diversity in the types of housing that are available in the City. Such small lot units would be priced significantly lower when compared to traditional single-family homes in the immediate East Venice neighborhood. This would provide home ownership opportunities to a greater number of people than would otherwise be available.

d. The Project will support the City's Existing Small Lot Design Ordinance:

While the Applicant could have demolished and replaced the bungalow courts with new construction on Small Lots, the "Adaptive Reuse" of Small Lots will offer a positive solution for the preservation of the subject property. According to the Small Lot Design Guidelines, the ordinance was created because "home ownership

³ Chiland, Elijah. "Can LA build its way out of its housing crisis?" Curbed Los Angeles. June 14, 2018.

⁴ "6th Cycle Draft RHNA Allocation Based on Final RHNA Methodology & Final Connect SoCal." Southern California Association of Governments. September 2020.

⁵ "CCA Reflects: State of Housing." Central City Association. <https://www.ccala.org/news/2019/12/09/cca-reflects/3-fundamentals-on-the-state-of-housing/>. December 9, 2019.

Crest Real Estate

options [had] traditionally been limited to single-family homes on 5,000 square foot lots or condominiums,” and thus there was a need to extend “these options to include townhomes, row houses, and other types of infill housing, [which were] typically only available for rent.” Small Lots “are distinct from condominiums in that the tenants of these compact homes have complete ownership of that lot.”⁶

As stated in the ordinance, “five or more Group Dwellings (apartment homes located on a single lot) with a Certificate of Occupancy issued prior to 1950 may be subdivided into small lots.” The Small Lot Subdivision Ordinance was created as a tool for responsible, neighborhood-sensitive development. The City recognizes that the adaptive reuse of Los Angeles’ original small lots will enable the preservation of historic bungalow courts that were built prior to 1950.

The “Adaptive Reuse” of Small Lots offers a positive solution for the preservation of existing residential units. The intent of the Small Lot Ordinance was to streamline the permitting of residences. The design form of bungalow courts can be seen as the ideal intent of some Small Lots. The revised Small Lot Ordinance states that while small lots can be the result of proposed construction, they can also emerge from existing multifamily settings such as bungalow courts, thus “providing opportunities for the preservation and rehabilitation of multiple older apartment homes located on a single lot to be adaptive reused as for-sale housing on individual small lots.” The approved project will enable the adaptive reuse of Los Angeles’ original small lots to become a realty in the East Venice neighborhood – via the Small Lot Ordinance without any variances.

As stated by the Los Angeles Conservancy regarding bungalow courts and the importance of stemming their loss, “the bungalows occupied land that had been since zoned for much higher density, making them prime demolition targets during the building craze of the early 2000s.”⁷

For the subject property, the Small Lot Ordinance is a preservation tool in which detached bungalow court units can be converted into single-family residences that exist as part of a subdivision.

Example:

Maltman Court in Echo Park - a community just east of Hollywood – is the earliest example of a bungalow court using the Small Lot Ordinance to assist in its preservation. This bungalow court was built in 1926 and is composed of seventeen

⁶ Los Angeles Department of City Planning Urban Design Studio. “Small Lot Design Guidelines.” Accessed February 2022, http://cityplanning.lacity.org/PolicyInitiatives/Housing/SmallLot/SmallLotPolicy_DesignGuide.pdf

⁷ Spectra Company. “Los Angeles Conservancy Award Hollywood Bungalow Courts, (Hollywood) Accessed February 2022, <http://spectracompany.com/laca2>

units of detached Spanish Colonial Revival bungalows. In an article titled “Fledgling L.A. ordinance revives an old idea: the small house in the city,” Los Angeles Times architecture critic Christopher Hawthorne states that “with red-tile parapets and tiny front stoops, [Maltman Court was] a reminder that Los Angeles was once quite good at producing housing that combined moderate density, a sense of community and quick access to the city at large.” However, restoring these bungalows as condos “wouldn’t pencil out,” since “at about 700 square feet apiece, they were too small to justify a pricey conversion,” thus “it seemed that the property would be torn down and replaced by a sizeable condo or apartment complex – the usual anonymous, no-soul stucco job sitting atop a concrete bunker of parking and pitched to the high end of the market.”⁸

III. CEQA Class 1 Categorical Exemption and Appeal

EVNA’s appeal initially attached a document dated December, 20, 2021. EVNA subsequently submitted another for its appeal dated January 31, 2022. The CEQA Appeal misses the mark in terms of its claim that the project exemption is inapplicable. The Categorical Exemption prepared for the project was appropriate pursuant to CEQA Guidelines Section 15301 (Class 1) exemption, which allows for additions to existing structures based on the following information in the image below from the CEQA Guidelines:

(e) Additions to existing structures provided that the addition will not result in an increase of more than:

(1) 50 percent of the floor area of the structures before the addition, or 2,500 square feet, whichever is less; or

(2) 10,000 square feet if:

(A) The project is in an area where all public services and facilities are available to allow for maximum development permissible in the General Plan and

(B) The area in which the project is located is not environmentally sensitive.

The appellant’s updated appeal justification left out the remaining information that additions to existing structures resulting in an increase of up to 10,000 square feet are allowed for Class 1 CE if the project is in an urban area that is not environmentally sensitive. CEQA Guidelines require that a project site be adequately served by all required utilities and public services. The City’s determination letter found that the approved project will be adequately served by all public utilities and services as it is a developed site that is surrounded by urban uses and already served by existing infrastructure. The approved project is in compliance with the CEQA Guidelines for Class

⁸ Christopher Hawthorne. “Fledgling L.A. ordinance revives an old idea: the small house in the city.” Los Angeles Times. June 5, 2008. Accessed February 2022, <http://www.latimes.com/local/la-hm-small5-2008jun05-story.html>

Crest Real Estate

1. Furthermore, the following Exceptions outlined in the State CEQA Guidelines Section 15300.2 do not apply to the project:

- a) *Cumulative Impact. All exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant.*

There is not a succession of known projects of the same type and in the same place as the subject project. As mentioned, the approved project is for the small lot subdivision of existing bungalow courts at 1169 S. Palms Bl. and 1801-1821 S. Penmar Ave. The project is consistent with the type of development permitted for the area zoned RD1.5 and designated as Low Medium II Residential use. The project consists of the subdivision of an existing 7-unit bungalow court typology of home and does not propose new dwelling units, and as such will not exceed thresholds identified for impacts to the area (i.e. traffic, noise, etc.). The project will not result in significant cumulative impacts.

- b) *Significant Effect. A categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances.*

The project consists of work typically done in a residential neighborhood, and no unusual circumstances are present or foreseeable.

- c) *Scenic Highways. A categorical exemption shall not be used for a project, which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.*

The project site is not located on or near a designated state scenic highway.

- d) *Hazardous Waste Sites. A categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.*

The project site is not identified as a hazardous waste site or is on any list compiled to Section 65962.5 of the Government Code.

- e) *Historical Resources. A categorical exemption shall not be used for a project, which may cause a substantial adverse change in the significance of historical resources.*

The project site has not been identified as a historic resource by state

Crest Real Estate

agencies, the project site has not been determined to be eligible for listing in the National Register of Historic Places, California Register of Historical Resources, the Los Angeles Historic-Cultural Monuments, and there are no historical resources to which the Project would cause a substantial adverse change in their significance.

The approved Project was determined to be categorically exempt and does not require mitigation or monitoring measures.

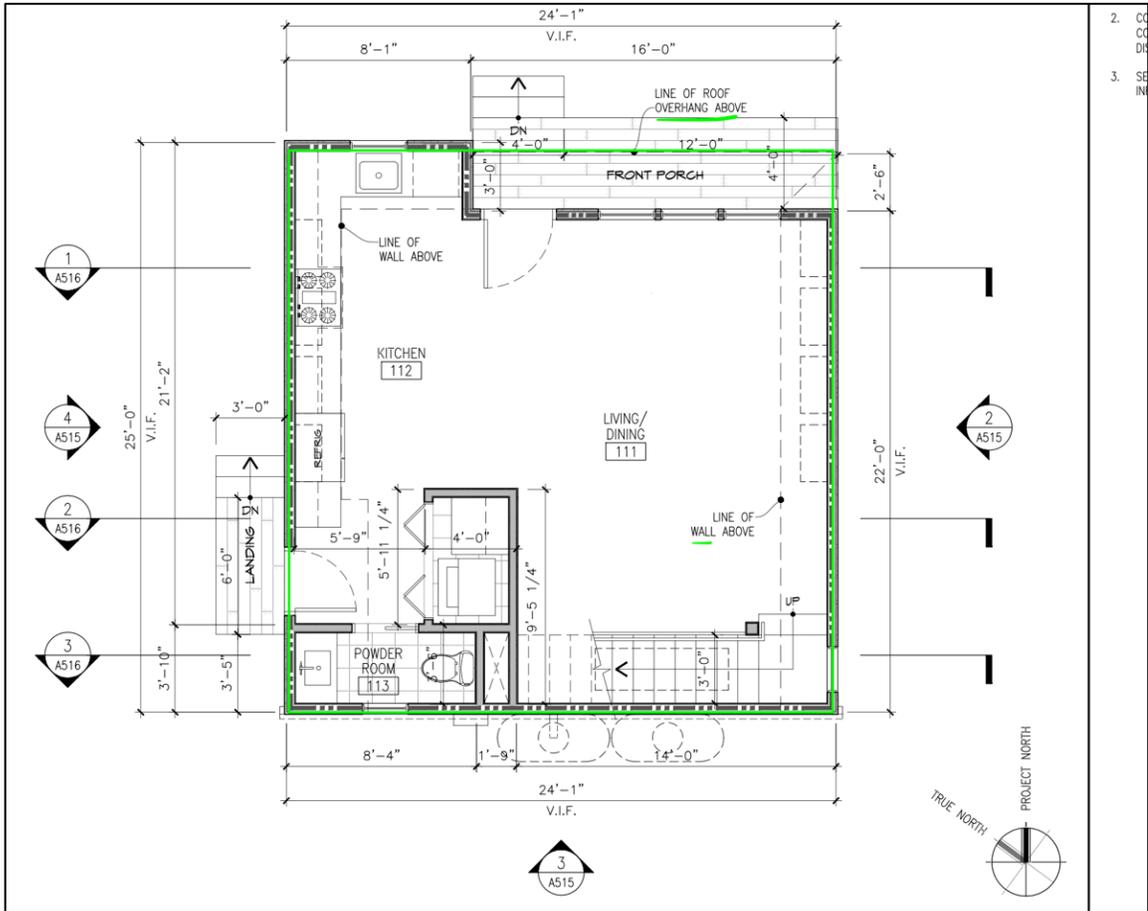
IV. BOE Dedications

As mentioned previously, the street dedications and improvements are regulated by the Bureau of Engineering (BOE) and are not under the authority of the Department of City Planning. The information on the BOE Planning Case Referral Form (PCRF) is only a preliminary recommendation by BOE in order to provide the applicant with a general understanding of what **may** be required by BOE. In the Corrected Letter of Determination dated January 20, 2022, the Bureau of Engineering provided Specific Conditions of Approval, including No. 2 for a 0.25-foot wide strip of land to be dedicated along Palms Boulevard adjoining the subdivision and a suitable radius property line return at the intersection of Penmar Avenue. The BOE didn't include a condition of approval for any dedication along Penmar Avenue. The BOE recognizes that not requiring a dedication along Penmar Avenue will not impact the public in any significant way. If BOE forced the dedication, it would not be supporting or promoting the policy and goals of adaptive reuse for the existing bungalow court small lot subdivision.

V. Increased Square Footage

As stated, the approved Project provides a positive solution for the preservation of the existing bungalow courts. In addition, the building footprint is remaining the same and the project does not make the building or existing front porch closer to the property line along Penmar Avenue. Due to the existing building footprint, there is no place for a dedication along Penmar Ave. as the existing bungalow homes are very close to the existing property line. Based on the following exhibit from the architectural plans from one of the homes along Penmar Avenue, the existing building footprint remains the same and the front porch is only partially covered by the roof line above from the second floor roof.

The appellant's assertion that the building footprint has increased beyond the existing wall closest to the property along Penmar Ave. is factually inaccurate as can be seen in this exhibit. The second floor exterior wall is in line with the ground floor exterior wall closest to the property line based on the image on the following page from Sheet A081 of the architectural plans for the Project.



VI. Conclusion

The Appeal should be rejected in its entirety. Thank you.

Very truly yours,

Nick Leathers

Nick Leathers
Crest Real Estate, LLC