

FINDINGS

Density Bonus/Affordable Housing Incentives Compliance Findings

1. Pursuant to Section 12.22 A.25(g)(2)(i)(c) of the LAMC, the decision-maker shall approve a density bonus and requested incentive(s) unless the decision-maker finds that:
 - a. ***The Incentive 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 City Planning Commission to make a finding that the requested incentives does not result in identifiable and actual cost reductions to 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 11 percent of the base density for Very Low Income Households, the applicant is entitled to two (2) Incentives under both Government Code Section 65915 and the LAMC. The request for an increase in height and the request for increase in floor area ratio are Off-Menu Incentives.

Floor Area Ratio

The property's "D" Development Limitation permit a maximum FAR of 6 to 1. Furthermore, the City Center Redevelopment Plan also limits FAR to 6 to 1. Thus, the applicant is requesting an off-menu incentive for an increase in FAR from 6 to 1 to 8.87 to 1.

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 affordable studios, one- and two-bedroom units. This Incentive supports the applicant's decision to set aside a minimum of 37 dwelling units for Very Low Income Households for 55 years.

Height

The property's zoning and designation of Height District 4 permits unlimited height; however, the Q condition per Ordinance No. 164,307-SA555 limits height to 150 feet.

Granting the subject request for the increase in height by 45 feet will allow for an expanded building envelope, and the provision of additional market-rate units, which will offset the cost of the inclusion of restricted affordable units. Additionally, the increase in height would allow for design efficiencies in the placement of corridors, vertical

circulation elements and amenities, which would be a shared cost for the development of the project. Without the increase, the project would be reduced by four (4) full stories and would severely limit the number of restricted affordable units that could be provided.

- b. ***The Incentive 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 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. Therefore, there is no substantial evidence that the project's proposed incentives 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.

- c. ***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)).

Therefore, the request for elimination of the automobile parking requirement for residential uses is requested as a waiver of development standards. Without the requested waivers, the existing development standards would preclude the development of the proposed density bonus units and project amenities for the reasons stated below.

Parking

Pursuant to California Government Code Section 65915, the project is required to provide .5 automobile parking spaces per unit; this would require a total of 166 automobile parking spaces. In lieu of these requirements, the project is requesting elimination of the residential automobile parking requirement because it would

necessitate five (5) additional levels solely for parking. These development standards would have the effect of physically precluding the construction of 331 dwelling units within a 195-foot height limit. This waiver support the applicant's decision to provide 37 units as affordable housing units reserved for Very Low Income Households.

d. *The Incentives are contrary to State/federal law.*

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

Site Plan Review Findings

2. The project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable community plan, and does not conflict with any applicable regulations, standards, and any applicable specific plan.

The project site is located within the Central City 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 Regional Center Commercial land uses corresponding to the CR, C1.5, C2, C4, C5, R3, R4, R5, RAS3 and RAS4 Zones. The site is zoned [Q]C4-4D. The site is located within the State Enterprise Zone, Transit Priority Area, Greater Downtown Housing Inventive Area, and City Center Redevelopment project area. The site is not located within any specific plan, community design overlay, or interim control ordinance. The subject property is not located within the boundaries of and is not subject to any other specific plan or community design overlay.

With the exception of the requests herein, which allow for the creation of affordable housing units, the proposed project is otherwise consistent with the requirements of the underlying zone. The project proposes a mixed-use residential and commercial development on a site designated for such uses. The requested Incentives are permissible by the provisions of Density Bonus law, and the project will comply with all other applicable provisions of the zoning code.

The project is also consistent with the following objectives of the Community Plan:

Objective 1-2: To increase the range of housing choices available to Downtown employees and residents.

Objective 1-3: To foster residential development which can accommodate a full range of incomes.

Objective 2-1: To improve Central City's competitiveness as a location for offices, business, retail, and industry.

Policy 2-1.2: To maintain a safe, clean, attractive, and lively environment.

Consistent with these objectives, the project would further the development of Central City as a major center of population and retail services by replacing and activating the older commercial use of a parking lot with a high-quality mixed-use and attractive development that includes 331 residential units and approximately 6,350 feet of neighborhood-serving commercial spaces. The provision of 331 new residential units of varying sizes and types, including 37 units affordable to Very Low Income households, would provide for the housing required to satisfy the needs of various economic segments of the community.

By providing a range of housing opportunities, the project accommodates an adequate supply of housing units by type and cost.

The project is further consistent with other elements of the General Plan, including the Framework Element, the Housing Element, and the Mobility Element. The Framework Element was adopted by the City of Los Angeles in December 1996 and re-adopted in August 2001. The Framework Element provides guidance regarding policy issues for the entire City of Los Angeles, including the project site. The Framework Element also sets forth a Citywide comprehensive long-range growth strategy and defines Citywide policies regarding such issues as land use, housing, urban form, neighborhood design, open space, economic development, transportation, infrastructure, and public services. The project supports the following goal and objective of the Framework Element:

GOAL 4A: “AN EQUITABLE DISTRIBUTION OF HOUSING OPPORTUNITIES BY TYPE AND COST ACCESSIBLE TO ALL RESIDENTS OF THE CITY.”

Objective 4.1: “Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City sub-region to meet the projected housing needs by income level of the future population...”

The project proposes a new mixed-use multi-family and commercial development that will provide much-needed housing, including affordable housing, and neighborhood-serving commercial uses. 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 at all income levels.

The Housing Element of the General Plan provides land use policies and programs that encourage development of affordable housing across the City. The project also supports the following goals and objectives of the Housing Element:

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.”

GOAL 2: “SAFE, LIVEABLE, 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.”

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.

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.”

Additionally, the project is a Density Bonus development located along Spring Street in close proximity to the Pershing Square Metro Station and is well-served by public transportation. Thus, by locating higher-density development along major transit corridors and by providing commercial services and jobs in close proximity to residences, the project will contribute towards the creation of sustainable neighborhoods and a reduction in vehicle trips and VMT (vehicle miles traveled). The project will further promote mobility and sustainable environments by providing active and transparent building facades, and incorporating landscaping, all of which will significantly improve pedestrian movement and the quality of the streetscape in the area. The proposed improvements represent a significant improvement over the existing site conditions and help realize the City’s goals.

In addition, the project has been conditioned to include automobile parking spaces both ready for immediate use by electric vehicles (e.g. with electric vehicle chargers installed) and capable of supporting electric vehicles in the future. 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.

Therefore, the project substantially conforms with the purpose, intent, and provisions of the General Plan, the applicable Community Plan, and the applicable specific plan.

3. **The project consists of an arrangement of buildings and structures (including height, bulk and setbacks), off-street parking facilities, loading areas, lighting, landscaping, trash collection, and other such pertinent improvements that is or will be compatible with existing and future development on neighboring properties.**

The project site consists of two (2) existing contiguous lots encompassing a total of approximately 27,578 square feet of lot area. The project is located at a corner site bound by 3rd Street to the south and Spring Street to the west.

The subject property is currently developed with a surface parking lot. The project proposes to demolish all existing improvements for the development of a new 15-story 331-unit mixed-use building with commercial tenant spaces on the ground floor. The project also proposes one (1) subterranean level of vehicular parking.

The project and all of its pertinent improvements will be compatible with neighboring properties. The project is a desirable mixed-use residential and commercial development in a location and neighborhood zoned and designated for such uses. The project site is located in a heavily urbanized and centrally located area developed with a variety of other similar/compatible uses, including high-rise government buildings as well as a variety of multi-family residences. The project will not preclude any future development on the subject property or on any adjacent property. The project has been conditioned to maintain pedestrian access during construction, pet waste stations, security, and to maintain transparency for the retail storefronts. Accordingly, the project has been designed and

conditioned such that its significant features and improvements will be compatible with the surrounding area, as follows:

Height, Bulk, Setbacks

As depicted in Exhibit "A", the building will encompass a total of 243,973 square feet of total floor area and will rise to a maximum height of 195 feet (with limited exceptions for roof structures, per the LAMC).

The City's zoning regulations, specifically those that govern building height, mass, and location on a property, are intended to ensure that a development is compatible with its surroundings and is appropriate for its location. Surrounding properties range from 5 to 16 stories in height. The project's proposed height is compatible with the government building to the south which is 16 stories in height and the mixed-use building to the west which is 13 stories in height. The project's ground level consists of the proposed commercial tenant spaces and ancillary residential uses. This will facilitate a pedestrian-oriented streetscape and activate the public realm. No setbacks are required within the Greater Downtown Housing Incentive Area (GDHIA) and the building will be consistent with surrounding development which also observe zero setbacks and a continuous street frontage.

The proposed building height, mass, and setbacks are all consistent/permissible with all applicable zoning regulations and State and City Density Bonus law, and as a result will be compatible with adjacent properties. Therefore, the project's height, mass, and setbacks will be compatible with adjacent properties.

Site Layout – Parking, Trash Collection, Landscaping, and Lighting

At the ground floor, the project proposes approximately 6,350 square feet of commercial space fronting Spring Street, with commercial parking located in the subterranean level which is accessed from the alley (Harlem Place) where commercial loading is also proposed. At the corner of this level is the residential lobby with entrances from both Spring and 3rd Streets.

The proposed site layout will minimize any potential impacts to the project's surroundings. Commercial uses are concentrated along Spring Street. The project has been designed and conditioned to provide extensive transparency and glazing along the primary street frontages, which will enhance the project's surroundings and encourage pedestrian activity along the streetscapes.

Long-term bicycle parking is stored in within the subterranean parking levels and short-term bicycle parking located in the right-of-way along 3rd Street. The proposed trash collection location at the ground level is also easily accessible yet fully enclosed within the building footprint, thereby shielding the trash enclosures from view by adjacent properties.

The project includes several distinct outdoor open space areas at the second and rooftop levels and along the streetscape. New on- and off-site trees will be provided in compliance with the LAMC and Urban Forestry's policies. All of the proposed recreation spaces and landscaping will enhance both the project and the greater neighborhood as a whole, and as a result the project will be cohesive and integrate well with the surrounding community. Accordingly, all of the proposed open spaces and landscaping will enhance the property and will be compatible with other improvements on the subject property and abutting properties.

Furthermore, appropriate lighting and additional landscaping will be provided in accordance with the requirements of the LAMC and the conditions herein. The project has been designed to provide adequate lighting for operation and safety and to meet all regulations while limiting potential impacts. Additional landscaping such as street trees will be provided throughout the property per the requirements of the applicable City agencies. Therefore, for all of these reasons, the project will significantly improve the physical appearance of the property and will be compatible with existing and future development on the subject property and on surrounding properties.

4. **Any residential project provides recreational and service amenities in order to improve habitability for the residents and minimize impacts on neighboring properties.**

The project proposes a total of 34,475 square feet of open space which consists of 8,618 square feet of common indoor open space, 14,107 square feet of common outdoor space and 11,750 square feet of private open space in the form of residential balconies. Proposed recreation and amenity spaces are proposed on levels two and the rooftop. This includes an outdoor interior courtyard, common area, a rooftop level pool and fitness area, and private balconies for certain residential units throughout.

The project will provide a wide array of high-quality recreational and service amenities for residents. In addition, all of the outdoor spaces will be landscaped and planted with a variety of trees and other plants, which will provide shade and greenery for residents and patrons of the project, enhance the physical environment, and reduce potential impacts on adjacent properties. The site orientation of the outdoor amenity spaces are either interior to the development or away from neighboring properties. Therefore, the project provides many different recreational and service amenities which will improve habitability for residents and the community alike, and will minimize impacts on neighboring properties.