

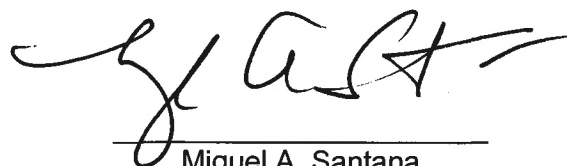
0111-31341-0006

TRANSMITTAL

To: Council	DATE 11-07-16	COUNCIL FILE NO. 14-1174-S15
From: CRA/LA Bond Oversight Committee		COUNCIL DISTRICT 13

At its meeting of October 27, 2016, the CRA/LA Bond Oversight Committee (BOC) adopted the recommendations of the attached Economic Workforce Development Department (EWDD) report, which is hereby transmitted for Council consideration. Adoption of the report recommendations would authorize EWDD to execute an agreement with the Thai Town Economic Development Corporation (EDC) for an amount not to exceed \$763,900 in CRA/LA Excess Bond Proceeds available to Council District 13 for development cost related to Phase I of the Thai Town Marketplace.

Fiscal Impact Statement: There is no General Fund impact from the proposed allocation of CRA/LA Excess Bond Proceeds.



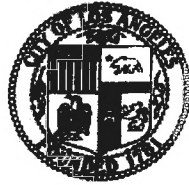
Miguel A. Santana
City Administrative Officer
Chair, CRA/LA Bond Oversight Committee

JAN PERRY
GENERAL MANAGER

City of Los Angeles
CALIFORNIA

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017



ERIC GARCETTI
MAYOR

October 21, 2016

Council File: 14-1174-S15
Council District No.: 13
Contact Persons & Extensions:
Samuel Hughes: (213) 744-9723

CRA/LA Bond Oversight Committee
c/o Stephanie Magnien
Office of the City Administrative Officer
Room 1500, City Hall East

**COMMITTEE TRANSMITTAL: REQUEST COMMITTEE REVIEW AND
RECOMMENDATION TO COUNCIL TO APPROPRIATE \$763,900 IN CRA/LA NON-
HOUSING EXCESS BOND PROCEEDS FROM THE HOLLYWOOD
REDEVELOPMENT PROJECT AREA TAXABLE SERIES "E" FOR BUSINESS
ASSISTANCE (THAI TOWN MARKETPLACE PHASE I DEVELOPMENT)**

The General Manager of the Economic and Workforce Development Department (EWDD) requests your review, approval and processing of the recommendations in this transmittal to the appropriate Council Committee(s) and the City Council for their review and consideration.

SUMMARY

Transmitted herewith for your review, approval, and further processing are recommendations pursuant to Motion (O'Farrell – Ryu) dated September 6, 2016 (C.F. 14-1174-S15), and adopted by City Council on September 13, 2016. This Motion proposes to appropriate an amount not to exceed \$1,200,000 in taxable Community Redevelopment Agency of the City of Los Angeles Non-Housing Excess Bond Proceeds (EBP) available to Council District (CD) 13 from the Hollywood Redevelopment Project Area (Project Area) for business assistance projects (Thai Town Marketplace Phases I and II) within the Promise Zone as allowed in the Bond Spending Plan (BSP) for this Project Area. However, only Phase I of project is ready to proceed. Therefore, this request is for an initial and partial amount of \$763,900. EWDD will return with a later report to access the remaining \$436,100 when Thai Town's Phase II is ready to proceed.

The proposed use of funds towards new construction is permissible under the BSP which was adopted by City Council on October 29, 2014 (C.F. 14-1174); and sufficient funds are available from CD 13's portion of EBP in this Project Area for this purpose.

RECOMMENDATIONS

The General Manager, EWDD, requests that the Bond Oversight Committee review, approve, and process the following recommendations for Council approval:

1. APPROVE \$763,900 in CRA/LA Non-Housing Excess Bond Proceeds available to Council District 13 from the Hollywood Redevelopment Project Area within the Council District be utilized to assist with the development costs related to Phase I construction of the Thai Town Marketplace, provided all funding for Phase I of the project development costs have been secured; and execution of all contracts occur on or before December 5, 2016;
2. APPROVE the use of said CRA/LA Non-Housing Excess Bond Proceeds pursuant to the project's Categorical Exemption from environmental review under the City's California Environmental Quality Act guidelines;
3. AUTHORIZE the General Manager, EWDD, or designee, to negotiate and execute an agreement with the Thai Community Development Center concurrent with a City Community Development Block Grant agreement, with Excess Bond Proceeds funding not to exceed \$763,900 subject to the review and approval of the City Attorney as to form and substance;
4. AUTHORIZE the EWDD to expend funds up to \$763,900 within CRA/LA Non-Housing Excess Bond Proceeds Fund No. 57D, Account 22L9FT, titled "Hollywood (Taxable)" upon presentation of proper documentation and demand of the General Manager, EWDD, or designee, pursuant to this agreement; and
5. AUTHORIZE the General Manager, EWDD, or designee, to prepare Controller instructions and/or make technical adjustments that may be required and are consistent with this action, subject to the approval of the Bond Oversight Committee, and authorize the Controller to implement these instructions.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund from the proposed appropriation of CRA/LA EBP. The CRA/LA Non-Housing Excess Bonds Proceeds Fund No. 57D is funded solely from the transfer of approximately \$84.1 million in pre-2011 tax allocation bond proceeds from CRA/LA to the City (C.F. 14-1174). Said transfer has been deposited with the Office of the Controller.

INTRODUCTION

Pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/DLA) was established on February 3, 2012 to serve as the successor agency. AB 1484 which passed subsequently permits the use of unobligated pre-2011 CRA/LA tax

allocation bond proceeds, or Excess Bond Proceeds (EBP), for new obligations, as long as the funds are used in a manner consistent with the original bond covenants. CRA/DLA executed a Bond Expenditure Agreement (BEA) with the City, and transferred \$84.1 million in EBP to the City in February 2015 for redevelopment purposes for which the bonds were sold, and are consistent with the applicable bond covenants as set forth in the bond documents, the BEA, the Bond Spending Plan (BSP), applicable provisions of the Community Redevelopment Law and Redevelopment Plans.

CD 13 EXCESS BOND PROCEEDS AND PROPOSED PROGRAM ACTIVITIES

CD 13 is entitled to \$10,339,129 in Excess Bond Proceeds over four (4) project areas: East Hollywood/Beverly-Normandie, Hollywood, Westlake Recovery, and Wilshire Center/Koreatown. CD 13's EBP consists of \$5,531,398 in tax-exempt bond proceeds in 2 projects areas, and \$4,807,730 in taxable bond proceeds in all 4 project areas. The details are reflected below:

CRA Project Area	CD 13's Percentage Share of Project Area EBP	Tax-Exempt Bond Proceeds	Taxable Bond Proceeds	Total Bond Proceeds in Project Area
East Hollywood/Beverly-Normandie	59 %		\$ 1,896,988	\$ 1,896,988
Hollywood	89 %	\$5,287,634	\$1,295,044	\$ 6,582,678
Westlake Recovery	13 %		\$ 593,706	\$ 593,706
Wilshire Center/Koreatown	13.2 %	\$ 243,764	\$1,021,992	\$ 1,265,756
TOTAL		\$5,531,398	\$4,807,730	\$10,339,128

CD 13's Motion seeks to appropriate an amount not to exceed \$1.2 million from taxable EBP in the Hollywood Redevelopment Project Area. The current available balance of \$1,311,290 in that category is sufficient to cover CD 13's request.

As illustrated below, the approved bond spending within CD 13's four (4) project areas total \$24,826,005. The proposed bond spending within each redevelopment area does not provide a breakdown per Council District(s). The projects, programs and activities are broken down as follows along the identified project areas:

CRA Project Area	Infrastructure	Community Facilities	Affordable Housing	Business Assistance	Total Project Area Spending
East Hollywood/Beverly-Normandie	\$ 500,000	\$ 500,000		\$2,215,234	\$ 3,215,234
Hollywood	\$3,441,163	\$1,500,000	\$1,000,000	\$1,455,105	\$ 7,396,268
Westlake Recovery	\$ 800,000	\$ 766,974		\$3,000,000	\$ 4,566,974
Wilshire Center/Koreatown		\$6,647,529	\$1,000,000	\$2,000,000	\$ 9,647,529
TOTAL	\$4,741,163	\$9,414,503	\$2,000,000	\$8,760,339	\$24,826,005

The Council adopted Business Assistance appropriation of \$1,455,105 in the Hollywood Project Area is sufficient to cover CD 13's request.

ANALYSIS AND RECOMMENDATIONS

CD 13's Motion, adopted by Council on September 13, 2016, seeks to appropriate an amount not to exceed \$1,200,000 in EBP to the Thai Town Marketplace under the Business Assistance and Catalytic Commercial Development goals identified in the BEA and BSP. The Thai Town Marketplace, located in the East Hollywood Promise Zone area, is a public market that provides entrepreneurs with small business opportunities, creates permanent jobs, and helps low-income individuals become economically self-sufficient. The public market will also improve access to affordable, nutritious and culturally-appropriate foods. The East Hollywood area is culturally and ethnically diverse, with large Latino, Armenian and Thai communities. The multi-cultural aspect of the market will create an authentic marketplace based on ethnic foods, artisanship and traditional products reflective of the diverse cultures of the area.

Promise Zones are high poverty communities where the Federal government partners with local leaders to increase economic activity, improve educational opportunities, leverage private investment, reduce violent crime, enhance public health and address other priorities identified by the community. Among the benefits of a Promise Zone designation is that preference is given for certain competitive Federal grant programs and technical assistance from participating Federal agencies. Goal 4 of the LA Promise Zone 2016 Priority Projects report is to:

- 4.0 Create a Local Foods, Local Places (LFLP) program model that can be scaled to the rest of the LA Promise Zone

East Hollywood has a disproportionately large number of individuals who lack job skills and/or are chronically under-employed. According to 2000 US Census, 35% of East Hollywood residents live below the poverty line, compared to the State average of 14%. The 13% unemployment rate in East Hollywood far exceeds the State average of 7% and national average of 6%. A 2002-2003 food assessment of the Hollywood area reported that only 17% of all surveyed participants eat 5 servings of fruit and vegetables per day with 38% reported eating fruits and vegetables less than once per day. According to an ongoing cultural tourism survey conducted by Thai Community Development Corporation (Thai CDC) of Thai Town's residents and visitors, 78% consider a public market to be important or very important; and 69% believe such a market should be located within a block of the Metro subway station.

Founded in 1994, Thai CDC aims to create a thriving community by creating businesses and jobs, developing decent and affordable housing, and revitalizing public space. Thai CDC serves economically disadvantaged populations including immigrants, low-wage workers, welfare recipients and victims of human trafficking. They offer a broad range of social and human services i.e., cultural orientation, language assistance, survival skills development, crisis intervention, parent education, family preservation strategies, cross-cultural mediation and dispute resolution. The goal of Thai CDC is to assist newcomers with the cultural and transitional issues that serve as barriers to successful integration in a new culture. By integrating community economic development

strategies such as the development of affordable housing, small business development assistance, financial literacy, volunteer income tax assistance, small business incubation, promotion of access to the formal financial sector, neighborhood reinvestment and revitalization efforts through the campaign to designate “Thai Town”, Thai CDC has made economic opportunities more accessible to economically disadvantaged populations.

The Thai Town Marketplace (TTMP) project benefits the affected taxing entity/City by creating the first “Health and Wealth Zone” which links health outcomes with economic outcomes by helping low-income residents start a business, obtain financial and health literacy, and access nearby social services such as the Hollywood Family Source Center. In this endeavor, the TTMP aims to become a one-stop destination for food, culture and resources. TTMP is strategically located at the Redline Metro stop at the intersection of two major transportation corridors (Hollywood/Western), and at the base of a MTA mixed-use development and gateway to Thai Town.

In addition to innovating a new approach to community revitalization which facilitates increased public health, economic empowerment, and improvement of public spaces, TTMP is designed as a self-sustaining business incubator in a public market setting. Representing Thai CDC’s first commercial venture, the TTMP is designed to be a social enterprise business incubator that aims to create living-wage jobs and economic self-sufficiency for Thai and other ethnic entrepreneurs in the East Hollywood area. The project strives to reduce barriers to small business ownership and enhance cultural tourism by increasing public transit use. This project has been in the planning phase for eight (8) years, and has received a total of \$824,821 in pre-development grant funds from eight (8) organizations as follows:

- Department of Health and Human Services - \$468,821
- California Community Foundation - \$100,000
- Catholic Campaign for Human Development - \$150,000
- L. A. County Board Supervisor Yaroslavsky - \$50,000
- Federal Home Loan Bank of San Francisco - \$25,000
- Union Bank Foundation - \$20,000
- MAZON, A Jewish Response to Hunger - \$10,000
- East Hollywood Neighborhood Council - \$1,000

The TTMP will create twenty-six (26) full-time jobs, 51% of which must be held by low-to-moderate income residents. The job creation is mandatory under its \$892,200 Community Development Block Grant (CDBG) agreement with the City of Los Angeles. It will also incubate twelve (12) small business food vendors who will share office equipment, and receive entrepreneurship training and ongoing technical assistance through the Asian Pacific Islander Small Business Program.

EWDD has met and consulted with CD 13 and Thai CDC regarding this project. There are two phases to the TTMP development: an initial indoor marketplace, followed by an outdoor market at a later date. The proposed appropriation of up to \$1.2 million in CD 13’s Motion is intended to cover both the indoor (Phase I) and outdoor (Phase II)

development. Based on the financial parameters outlined in the Motion, the proposed EBP assistance ratio is capped at 39% of total project development cost (Phase I and II combined) in an amount not to exceed \$1,200,000. Thai CDC has provided the City with a Phase I development budget/Sources and Uses breakdown of \$3,010,921. Thai CDC further represented to the City that it has secured \$2,247,021 of the funding needed to complete Phase I; but needs assistance with the remaining funding gap of \$763,900. Under this scenario, the EBP assistance ratio is 25%. EWDD will return to the BOC with details to access the remaining \$436,100 EBP when Phase II is ready to proceed – provided all the conditions, including the maximum assistance amount and ratio along with any applicable deadline, as set forth in the Motion have been met.

The Phase I budget is comprised of the following sources of funds:

Foundation Grants	\$ 824,821
Loan - LISC	\$ 500,000
Loan – VEDC	\$ 30,000
City of LA CDBG	\$ 892,200
CRA/LA EBP	<u>\$ 763,900</u>
	\$3,010,921

TTMP broke ground on September 22, 2016. The anticipated duration to construct the open marketplace is 9-10 months with the grand opening targeted for July 2017. The proposed use of CRA's EBP includes, but is not limited to: general condition, site costs, conveying/kitchen equipment, mechanical, electrical, professional services, planning and oversight, and utilities during construction.

EWDD will develop, in consultation with CD 13, a contract with Thai CDC. The City Attorney will review the original bond documents to ascertain the qualification of the award. EWDD will consult with CD 13 to ensure that Thai CDC's work performance meets with their requirements. EWDD will report work accomplishments and fund expenditures in its monthly status reports to the Bond Oversight Committee, as well as EWDD's quarterly and semi-annual reports to the Mayor and CRA/LA.

The CAO has reviewed the original bond documents, and finds the proposed use of excess bond proceeds, as presented, consistent with those covenants. CAO has also accepted the Planning Department's Categorical Exemption of TTMP from environmental review pursuant to Article III, Section 1, Class 21 and Category 2 of the City of Los Angeles California Environmental Quality Act (CEQA) guidelines.

EWDD concurs with the use of \$763,900 in taxable bond proceeds (Hollywood, Taxable Series "E") towards Phase I development of TTMP. Council approved appropriations for both the Project Area taxable EBP and activity are sufficient to satisfy CD 13's request. It is recommended that an initial and partial amount of \$763,900 in CRA/LA EBP as specified be appropriated for the purpose outlined in the Motion.

BACKGROUND

Pursuant to the dissolution of the former Community Redevelopment Agency of the City of Los Angeles on February 1, 2012, CRA/LA, a Designated Local Authority (CRA/DLA) was established on February 3, 2012 to serve as the successor agency. AB 1484, which passed the State legislature on June 27 2012, permits eligible successor agencies to use unobligated pre-2011 tax allocation bond proceeds (Excess Bond Proceeds) for new obligations, as long as the funds are used in a manner consistent with the original bond covenants.

To that end, the City of Los Angeles (City) executed a Bond Expenditure Agreement (BEA) with CRA/LA in January 2015 which authorized the transfer of approximately \$84.1 million in EBP from the CRA/LA to the City. The \$84.1M was generated by 26 bond issues of which 7 were tax exempt (\$41.4 million), and 19 were taxable (\$42.6 million). The EBP is to be spent on bond eligible purposes that are of maximum benefit to the City, and the Affected Taxing Entities including the County, School District, and Community College District. The EBP does contain provisions for 16% of taxable EBP to be expended on staff administration and project evaluation costs.

The City Council also adopted a Bond Spending Plan (BSP) which was created by the offices of the Mayor, City Administrative Officer, Chief Legislative Analyst, EWDD, Housing and Community Investment Department (HCID), and Bureau of Engineering (BOE) to implement the BEA. The BSP delineates each redevelopment project area's available EBP broken down by their taxable or tax-exempt origin; and outlines permissible investments by project, program and activity per project area as follows:

1. Public Infrastructure – Capital improvements to roadways, utility infrastructure, streetscapes and sidewalks;
2. Community Facilities/Open Space – Land acquisition, new construction and improvements to schools, libraries, community centers, parks, public plazas, museums, theaters;
3. Affordable Housing Projects – Land acquisition, new construction, rehabilitation of existing buildings, and preservation of affordability covenants; and
4. Business Assistance and Catalytic Commercial Development – Establishment and investment in Business Districts to create jobs, façade programs, technical assistance to small businesses, development of underutilized/contaminated sites to address blight, develop catalytic projects to attract private investment, and rehabilitation of historic/commercial buildings.

Additionally, potential projects, including high priority investments, are identified per project area.

The City will use the EBP for redevelopment purposes for which the bonds were sold and consistent with the applicable bond covenants as set forth in the bond documents, BEA, applicable provisions of the Community Redevelopment Law and Redevelopment Plans, and the BSP. The BSP allows the City to transfer funds between projects, programs and activities as long as the funds remain within the Redevelopment Project Area from which the EBP are derived.



JAN PERRY
General Manager

JP:SH:MMS:RBV

Attachment: Motion (O'Farrell – Ryu)

CITY CLERK FOR PLACEMENT ON NEXT
MOTION/CIL AGENDA TO BE POSTED

#52

In accordance with policies adopted by Council (C.F. 14-1174) related to the CRA/LA Bond Expenditure Agreement and Bond Spending Plan, any proposal to expend CRA/LA Excess Bond Proceeds shall be initiated by Council Motion. Proposals will be reviewed by the CRA/LA Bond Oversight Committee, Economic Development Committee, and any other applicable committee with final recommendations presented to the Council and Mayor for final consideration and approval.

The City of Los Angeles is one of only three cities in the nation to receive the Promise Zone designation. The Los Angeles Promise Zone covers the central Los Angeles neighborhoods of Hollywood, East Hollywood, Koreatown, Pico-Union, and Westlake. The goals of the Promise Zone are to foster good jobs and healthy businesses, make our neighborhoods safe, improve educational opportunities, and promote more sustainable and livable communities. The Thai Town Marketplace is a project that focuses on creating new business opportunities and community resources in the Hollywood portion of the Promise Zone.

Established in 1994, the Thai Community Development Center is focused on creating a thriving community by creating businesses and jobs, developing decent and affordable housing, and revitalizing public space. The Thai Town Marketplace project consists of constructing a new indoor marketplace that will provide entrepreneurs with small business opportunities, create permanent jobs, and helps low-income individuals become economically self-sufficient. The public market will also include an exterior space for weekly farmers market that provides access to affordable, nutritious and culturally-appropriate foods. Construction of the improvements includes but may not be limited to storage areas, restrooms, and kiosks, mechanical, electrical, and plumbing improvements for a total budget of approximately \$3.08 million. The project has secured \$892,200 in CDBG funding and is in need of approximately \$2.2 million to complete the budget. Once completed, the project will create an authentic marketplace based on ethnic foods, artisanship and traditional products reflective of the diverse cultures in the area and serve as a community asset.

I THEREFORE MOVE that taxable CRA/LA Excess Bond Proceeds available to Council District 13 in an amount not to exceed \$1.2 million from the Hollywood Redevelopment Project Area be utilized to assist Thai Community Development Center in the development of the Thai Town Marketplace in the Hollywood section of the Los Angeles Promise Zone.

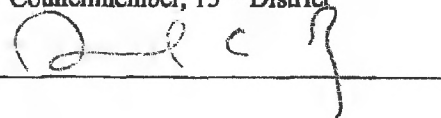
I FURTHER MOVE that the Economic and Workforce Development Department, with the assistance of the City Administrative Officer, Chief Legislative Analyst, Council District 13, and any other applicable City department, provide a report with recommendations to the CRA/LA Bond Oversight Committee to allocate taxable CRA/LA Excess Bond Proceed in an amount not to exceed \$1.2 million to Thai Community Development Center, contingent upon all funding for the project being secured and pending execution of the contract within 90 days, to assist with development costs related to construction of the Thai Town Marketplace, as described above and identified in the Bond Expenditure Agreement and Bond Spending Plan for the Hollywood Redevelopment Project Area.

PRESENTED BY



MITCH O'FARRELL
Councilmember, 13TH District

SECONDED BY



ORIGINAL

SEP 06 2016

**DEPARTMENT OF
CITY PLANNING**

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AND
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INFORMATION
www.planning.lacity.org

**VERMONT/WESTERN SNAP
PROJECT PERMIT COMPLIANCE REVIEW**

January 30, 2014

Property Owner

LA County Metropolitan
Transportation Authority
One Gateway Plaza, 99-18-3
Los Angeles, CA 90012

Applicant

Chanchanit Martorell
Thai Community Development
Center
6376 Yucca Street, Suite B
Los Angeles, CA 90028

Representative

Charles Cordero
CSC Architecture
5820 Wilshire Boulevard, #201
Los Angeles, CA 90036

Case No. DIR-2013-3821-SPP
CEQA: ENV-2013-3822-CE
Specific Plan Subarea: C – Community Center
Location: 5448 W. Hollywood Blvd.

Council District: 13 - Mitch O'Farrell
Neighborhood Council: East Hollywood
Community Plan Area: Hollywood
Land Use Designation: General Commercial

Zone: [Q]C2-2D
Legal Description: Block: None, Lot: FR LT
43, Arb: 2, Tract: West
Portion of the Lick Tract =
Los Felis Ro

Last Day to File an Appeal: February 14, 2014

DETERMINATION

Pursuant to LAMC Section 11.5.7 C. and the Vermont/Western Station Neighborhood Area Specific Plan Ordinance 173,749, I have reviewed the proposed project and as the designee of the Director of Planning, I hereby:

Approve with Conditions a Project Permit Compliance Review for a change of use from retail to restaurant for 4,484 square feet of floor area in an existing tenant space in a four-story mixed-use building and a new outdoor dining area with an awning structure that contains 665 square feet in Subarea C of the Vermont/Western Station Neighborhood Area Plan.

The project is Categorically Exempt from environmental review pursuant to Article III, Section 1, Class 21, and Category 2 of the City of Los Angeles CEQA Guidelines.

The project approval is based upon the attached Findings, and subject to the attached Conditions of Approval:

CONDITIONS OF APPROVAL

1. **Site Development.** Except as modified herein, the project shall be in substantial conformance with the plans and materials submitted by the Applicant, stamped "Exhibit A," and attached to the subject case file. No change to the plans will be made without prior review by the Department of City Planning, Plan Implementation Division, and written approval by the Director of Planning. Each change shall be identified and justified in writing. Minor deviations may be allowed in order to comply with the provisions of the Municipal Code, the project conditions, or the project permit authorization.
2. **Use.** The project shall be limited to commercial uses permitted in the C4 Commercial Zone pursuant to LAMC Section 12.16 of the Code, or as permitted by a previous entitlement or Certificate of Occupancy.
3. **Future Signage.** All new future signs shall be installed in compliance with the Vermont/Western Station Neighborhood Area Plan signage guidelines and regulations. Any pole, roof or off-site sign, any sign containing flashing, mechanical or strobe lights are prohibited. Canned signs should not be used.

Administrative Conditions

4. **Final Plans.** Prior to the issuance of any building permits for the project by the Department of Building and Safety, the applicant shall submit all final construction plans that are awaiting issuance of a building permit by the Department of Building and Safety for final review and approval by the Department of City Planning. All plans that are awaiting issuance of a building permit by the Department of Building and Safety shall be stamped by Department of City Planning staff "Final Plans". A copy of the Final Plans, supplied by the applicant, shall be retained in the subject case file.
5. **Notations on Plans.** Plans submitted to the Department of Building and Safety, for the purpose of processing a building permit application shall include all of the Conditions of Approval herein attached as a cover sheet, and shall include any modifications or notations required herein.
6. **Approval, Verification and Submittals.** Copies of any approvals, guarantees or verification of consultations, review of approval, plans, etc., as may be required by the subject conditions, shall be provided to the Department of City Planning prior to clearance of any building permits, for placement in the subject file.
7. **Code Compliance.** Use, area, height, and yard regulations of the zone classification of the subject property shall be complied with, except where granted conditions differ herein.
8. **Department of Building and Safety.** The granting of this determination by the Director of Planning does not in any way indicate full compliance with applicable provisions of the Los Angeles Municipal Code Chapter IX (Building Code). Any corrections and/or modifications to plans made subsequent to this determination by a Department of Building and Safety Plan Check Engineer that affect any part of the exterior design or appearance of the project as approved by the Director, and which are deemed necessary by the Department of Building and Safety for Building Code compliance, shall require a referral of the revised plans back to the Department of City Planning for additional review and sign-off prior to the issuance of any permit in connection with those plans.

9. **Enforcement.** Compliance with these conditions and the intent of these conditions shall be to the satisfaction of the Department of City Planning.
10. **Expiration.** In the event that this grant is not utilized within three years of its effective date (the day following the last day that an appeal may be filed), the grant shall be considered null and void. Issuance of a building permit, and the initiation of, and diligent continuation of, construction activity shall constitute utilization for the purposes of this grant.
11. **Indemnification.** The applicant shall defend, indemnify and hold harmless the City, its agents, officers, or employees from any claim, action, or proceeding against the City or its agents, officers, or employees relating to or to attack, set aside, void or annul this approval which action is brought within the applicable limitation period. The City shall promptly notify the applicant of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the applicant of any claim action or proceeding, or if the City fails to cooperate fully in the defense, the applicant shall not thereafter be responsible to defend, indemnify, or hold harmless the City.

FINDINGS

PROJECT DESCRIPTION

The project is a change of use from retail to restaurant (food court) for 4,484 square feet of floor area within an existing ground floor tenant space in a four-story mixed-use commercial and residential building. The new food court will result in 12 new eateries that will collectively be known as the "Thai Town Market Place". The applicant proposes a new 665-square-foot outdoor dining area with an attached awning structure that would be located along the Hollywood Boulevard project frontage. The new outdoor dining area would be enclosed by new six-foot high walls constructed of an ornamental metal system with tempered glass panels that consist of a frost acetate decorative floral motif. The applicant also proposes the installation of duct equipment to accommodate the new restaurants. An air duct is proposed on the east elevation that will be clad with a diamond perforated metal enclosure, which will match a new soffit that will be installed along the east and north elevations. Three ventilation ducts are proposed on the south elevation. These ducts will be painted to match the existing building. Given that the existing four-story is fully occupied by residential units above the ground floor, installing the new duct equipment on the interior of the building could not be accomplished. However, the applicant has worked closely with the Metropolitan Transit Authority (Metro), the property owner of the site, regarding the materials and placement of the exterior duct equipment.

1. The project substantially complies with the applicable regulations, findings, standards, and provisions of the specific plan.

- A. Use.** Section 9.A. of the Vermont/Western Specific Plan states that C4 commercial uses and R4 residential uses are allowed by-right on all parcels in Subarea C of the Specific Plan area. The applicant proposes a change of use to a 4,484-square-foot restaurant (food court), which is a permitted use in the C4 Zone and therefore complies with Section 9.A. of the Specific Plan.

Section 9.A.2 of the Vermont/Western Specific Plan states that all commercial activities shall be conducted wholly within an enclosed building with the exception of outdoor merchandise displays during sidewalk sales, outdoor eating areas and newsstands. The applicant proposes a new 665-square-foot outdoor dining area with a new attached awning structure along the Hollywood Boulevard project frontage. The new outdoor dining area is exempt from the requirement to be conducted within an enclosed building and therefore complies with Section 9.A.2 of the Specific Plan.

- B. Height and Floor Area.** Section 9.B of the Vermont/Western Specific Plan states mixed-use projects shall not exceed a building height of 75 feet and a maximum floor area ratio (FAR) of 3.0. The Specific Plan also limits the commercial floor area within a mixed-use project to an FAR of 1.5:1. The project involves a change of use within an existing tenant space. Section 9.B therefore does not apply.
- C. Transitional Height.** Section 9.C of the Vermont/Western Specific Plan states that portions of buildings on a lot located within Subarea C shall not exceed specified transitional height limits set forth when located within specified distances of a lot within Subarea A. The Project does not propose construction that will change the footprint or height of the existing buildings. The Project involves a change of use from retail to restaurant within an existing tenant space of a four-story mixed-use commercial and residential building. Section 9.C therefore does not apply.

- D. Usable Open Space.** Section 9.D of the Vermont/Western Specific Plan states that mixed-use and residential projects must provide specified amounts of common and private open space. The Project is a non-residential change of use from retail to restaurant within an existing tenant space of a four-story mixed-use commercial and residential building. Section 9.D therefore does not apply.
- E. Project Parking Requirements.** Section 9.E.5 of the Vermont/Western Specific Plan states that a change of use within an existing building need not provide additional parking provided that existing onsite parking is maintained. The project site currently provides 83 onsite parking spaces as required by Case No. DIR-2001-5718-SPP approved on February 6, 2002. The subject property includes a surface parking lot with 38 parking spaces and a subterranean garage with 45 parking spaces. The required 83 parking spaces onsite will be maintained and additional onsite parking spaces are not required in compliance with the Specific Plan provisions in Section 9.E.
- F. Conversion Requirements.** Section 9.F of the Vermont/Western Specific Plan sets forth requirements pertaining to conversion of existing structures from commercial uses to residential uses. The Project is a change of use from retail to restaurant with an outdoor dining area. Section 9.F of the Specific Plan therefore does not apply.
- G. Pedestrian Throughways.** Section 9.G of the Vermont/Western Specific Plan requires that applicants provide a pedestrian walkway, thoroughway or path for every 250 feet of street frontage for a project. The Project involves a change of use from retail to restaurant within an existing tenant space of a four-story mixed-use commercial and residential building. The existing tenant space occupies approximately 98 feet seven inches of street frontage along Hollywood Boulevard. Section 9.G of the Specific Plan therefore does not apply.
- H. Yards.** Section 9.H of the Vermont/Western Specific Plan specifies that no front, side or rear yard setbacks shall be required for the development of any project within Subarea C. The Project is a change of use within an existing ground floor tenant space of an existing mixed-use structure. Section 9.H of the Specific Plan therefore does not apply.
- I. Development Standards.** Section 9.I of the Vermont/Western Specific Plan requires that all projects be in substantial conformance with the Development Standards and Design Guidelines. However, the Development Standards apply to all new development and extensive remodeling projects. The project is not new development or extensive remodeling and therefore the Development Standards do not apply. However, the project is a change of use within an existing mixed-use building and therefore the Design Guidelines do apply.

Design Guidelines

- J. Urban Form.** The Design Guidelines endeavor to transform commercial streets away from a highway oriented, suburban format into a distinctly urban, pedestrian oriented and enlivened atmosphere. The Guidelines encourage outdoor seating areas, informal gathering of chairs, and mid-block pedestrian walkways. The Guidelines also indicate that streets should begin to function for the surrounding community like an outdoor public living room and that transparency should exist between what is happening on the street and on the ground floor level of the

buildings. The project is a change of use from retail to restaurant (food court) for 4,484 square feet of floor area in an existing four-story mixed-use building. The application proposes a 665-square-foot outdoor dining area along Hollywood Boulevard along the Project frontage of the tenant space. The new outdoor dining area would contain 32 seats, landscaped planters and a new awning above for shade. The change of use to a food court would complement the neighborhood as it provides additional eating establishments for residents of the building and transit riders using the Hollywood/Western Red Line Station, which is located adjacent to the Project site. The project complies with the Urban Form Design Guideline.

- K. Building Form.** The Design Guidelines encourage every building to have a clearly defined ground plane, roof expression and middle or shaft that relates the two. The project is a change of use from retail to restaurant (food court) for 4,484 square feet of floor area in an existing four-story mixed-use building. The existing four-story mixed-use building was approved by the Director of Planning on February 6, 2002 as part of Case No. DIR-2001-4718-SPP. The change of use to restaurant (food court) and the new outdoor dining area are located on the ground floor along Hollywood Boulevard. The exterior improvements that include a new outdoor dining area and awning structure contribute to a defined ground floor plane. The project complies with the Building Form Design Guideline.
- L. Architectural Features.** The Design Guidelines encourage courtyards, balconies, arbors, roof gardens, water features, and trellises. The Guidelines also encourage appropriate visual references to historic building forms in new construction. New architectural features are not incorporated into the proposed project.
- M. Building Color.** The Design Guidelines encourage buildings be painted three colors: a dominate color, a subordinate color and a "grace note" color. The applicant does not propose to paint the existing four-story mixed-use building.
- N. Signs.** The Design Guidelines provides extensive guidance related to the placement, type and style of signage to be used for projects. The Guidelines identify appropriate signs for the Specific Plan area to include: wall signs, small projecting hanging signs, awnings or canopy signs, small directory signs, and window signs. The Design Guidelines further stipulate that when a building contains two or more businesses, signs should complement one another in color and shape and be located in the same relative position on each storefront.

The applicant does not propose any new signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.

- O. Window Signs.** The Design Guidelines encourage open and non-obtrusive views into stores; permanently painted signs or lettering on the inside of windows provided it takes up less than ten-percent of the total glass surface; and clerestory windows. Temporary banner signs are discouraged. The applicant does not propose any new window signs as part of this application; if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the

requirements of the Design Guidelines and shall be gracefully integrated into the overall building.

- P. Pole Signs, Off-Site Signs, and Roof Signs.** The Design Guidelines do not permit pole signs, off-site signs, or roof signs. Individual lettering on the building, or painted lettering on the building are preferred. The applicant does not propose any new pole signs, off-site signs or roof signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
- Q. Awning Signs.** The Design Guidelines encourage fabric awnings and awning signs with lettering on the awning valences only that do not exceed ten inches. Awnings should not be located above the first floor. The applicant does not propose any new awning signs as part of this application; however, if the applicant does wish to install new awning signs in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
- R. Painted Lettering.** The Design Guidelines encourage painted lettering signs, especially murals on the building façade provided the lettering is not overly large and is compatible with surrounding signs. The applicant does not propose any new painted lettering signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
- S. Pedestrian Oriented Signs.** The Design Guidelines indicate that hanging signs should be located so they protrude from the first floor; are at least seven feet above the finished grade, extend no more than four feet from the wall and should be no more than twelve square feet in surface area. The applicant does not propose any new pedestrian oriented signs as part of this applicant; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
- T. Directory Signs or Kiosks.** The Design Guidelines encourage directory signs and kiosks. The Guidelines indicate that directory signs should be considered for mounting on building at sidewalk locations and near arcades, access ways or passages. The applicant does not propose any new signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.

- U. **Portable Signs.** The Design Guidelines encourage portable signs provided they do not project into the public sidewalk more than 30 inches, are less than ten square feet in surface area, and are stored indoors after hours of operation. The applicant does not propose any new signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
 - V. **Figurative Signs.** The Design Guidelines encourage figurative signs shaped to reflect the silhouette of a particular object. The applicant does not propose any new signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
 - W. **Canned Signs.** The Design Guidelines indicate that canned signs should not be used. The applicant does not propose any new signs as part of this application; however, if the applicant does wish to install new signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
 - X. **Custom-Made Neon.** The Design Guidelines encourage custom-made neon signs, which may be either exterior-mounted on a signboard or metal support frame or enclosure, or interior mounted behind clerestory or display windows. The applicant does not propose any new neon signs as part of this application; however, if the applicant does wish to install new neon signage in the future then those signs shall be subject to the signs regulations pursuant to the Specific Plan and the Design Guidelines. The Conditions of Approval require that future signs for the project site shall be limited pursuant to the requirements of the Design Guidelines and shall be gracefully integrated into the overall building.
 - Y. **Plant Materials on Facades.** The Design Guidelines encourage plant materials on facades, which are in addition to permanent landscaping. Plants can be arranged in planters, containers, hanging baskets, flower boxes, etc. Plant materials are proposed along the outdoor dining area along the interior of the new wall system.
2. **The project incorporates mitigation measures, monitoring measures when necessary, or alternatives identified in the environmental review, which would mitigate the negative environmental effects of the project, to the extent physically feasible.**

Mitigation measures are not necessary for the subject project, and there are no potentially significant negative environmental effects associated with the project. The Director of Planning has determined that the project is Categorically Exempt from the environmental review pursuant to Article III, Section 1, Class 21, and Category 2 of the City CEQA

Guidelines because the project consists of an administrative decision enforcing the Project Permit Compliance Review for use.

OBSERVANCE OF CONDITIONS - TIME LIMIT - LAPSE OF PRIVILEGES

All terms and conditions of the Director's Determination shall be fulfilled before the use may be established. The instant authorization is further conditioned upon the privileges being utilized within **three years** after the effective date of this determination and, if such privileges are not utilized, building permits are not issued, or substantial physical construction work is not begun within said time and carried on diligently so that building permits do not lapse, the authorization shall terminate and become void.

TRANSFERABILITY

This determination runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent that you advise them regarding the conditions of this grant. If any portion of this approval is utilized, then all other conditions and requirements set forth herein become immediately operative and must be strictly observed.

VIOLATIONS OF THESE CONDITIONS, A MISDEMEANOR

Section 11.00 of the LAMC states in part (m): "It shall be unlawful for any person to violate any provision or fail to comply with any of the requirements of this Code. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Code shall be guilty of a misdemeanor unless that violation or failure is declared in that section to be an infraction. An infraction shall be tried and be punishable as provided in Section 19.6 of the Penal Code and the provisions of this section. Any violation of this Code that is designated as a misdemeanor may be charged by the City Attorney as either a misdemeanor or an infraction.

Every violation of this determination is punishable as a misdemeanor unless provision is otherwise made, and shall be punishable by a fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more than six months, or by both a fine and imprisonment."

APPEAL PERIOD - EFFECTIVE DATE

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any condition of this grant is violated or not complied with, then the applicant or his successor in interest may be prosecuted for violating these conditions the same as for any violation of the requirements contained in the Municipal Code, or the approval may be revoked.

The Determination in this matter will become effective and final fifteen (15) days after the date of mailing of the Notice of Director's Determination unless an appeal there from is filed with the City Planning Department. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of this Determination, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. Forms are available on-line at www.lacity.org/pln.

Planning Department public offices are located at:

Downtown Office
Figueroa Plaza
201 North Figueroa Street, 4th Floor
Los Angeles, CA 90012
(213) 482-7077

Valley Office
6262 Van Nuys Boulevard, Suite 251
Van Nuys, CA 91401
(818) 374-5050

Verification of condition compliance with building plans and/or building permit applications are done at the Development Services Center of the Department of City Planning at either Figueroa Plaza in Downtown Los Angeles or the Marvin Braude Building in the Valley. In order to assure that you receive service with a minimum amount of waiting, applicants are encouraged to schedule an appointment with the Development Services Center either by calling (213) 482-7077 or through the Department of City Planning website at <http://cityplanning.lacity.org>. The applicant is further advised to notify any consultant representing you of this requirement as well.

The time in which a party may seek judicial review of this determination is governed by California Code of Civil Procedures Section 1094.6. Under that provision, a petitioner may seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, only if the petition for writ of mandate pursuant to that section is filed no later than the 90th day following the date on which the City's decision becomes final.

Michael J. LoGrande
Director of Planning

Approved by:



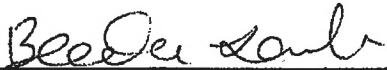
Daniel Scott, Principal City Planner

Reviewed by:



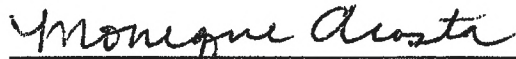
Shana Bonstin, Senior City Planner

Reviewed by:



Blake E. Lamb, AICP, City Planner

Prepared by:



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