

# **DEPARTMENT OF CITY PLANNING**

# RECOMMENDATION REPORT



Los Angeles City Planning Commission

May 14, 2015

**Time:** 8:30 a.m.

Date:

Place: City Hall, 3rd Floor

Board of Public Works Hearing Room 200 North Spring Street, Room 350

Los Angeles, CA 90012

Public Hearing: March 27, 2015

Appeal Status: The off-menu affordable housing

incentives are not further

appealable by any party. The onmenu affordable housing incentive and the Project Permit Compliance Review are further appealable to

City Council.

**Expiration Date:** May 14, 2015

Multiple Approval: Yes (DB/SPP)

Case No.: CPC-2010-1554-DB-SPP CEQA No.: ENV-2012-110-EIR

(SCH No. 2012031014)

Related Cases: None

Council No.: 13 – O'Farrell Hollywood

**Specific Plan:** Vermont/Western Transit

Oriented District Specific Plan / Station Neighborhood

Area Plan (SNAP)

Certified NC: East Hollywood

GPLU: Medium Residential and High

Density Residential

Zone: R3-1XL and [Q]R4-2, SNAP

Subarea A Neighborhood

Conservation

Applicant: William Harris, Hollywood

Housing Corporation

Representative: Christopher Murray,

Rosenheim & Associates,

Inc.

PROJECT LOCATION:

1601-1605 N Hobart Boulevard, 1600-1608 N Serrano Avenue, legally described as Lots: 16,

17 (Arbs 1 and 2) and 18 (Arb 2); Block: None; and Tract: Ferry Tract

PROPOSED PROJECT:

The site is comprised of three (3) lots; two (2) lots are located along Serrano Avenue and one (1) lot is located on Hobart Boulevard. The project proposes the demolition of four (4) existing two-story apartment buildings and the relocation of two (2) existing 1-story bungalow structures to a location along Serrano Avenue. The two bungalow structures contain three (3) dwelling units which would remain. The project also involves the construction of a new 51-unit multi-family building with a maximum height of 45 feet. At the ground level and above, the 51-unit project is designed as two residential buildings with a shared subterranean level of parking. The subterranean parking level would contain 56 parking stalls. The project would result in total of 54 dwelling units with approximately 46,353 square feet of floor area. All the proposed units would be reserved as affordable units excluding one (1) unrestricted manager's unit.

REQUESTED ACTION:

1. Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, Certification of an Environmental Impact Report (EIR) and Errata (dated October 9, 2014 and October 25, 2013) for the above referenced project and Adoption of the proposed Mitigation Monitoring Program and the required findings for the adoption of the EIR and Statement of Overriding Considerations.

- 2. Pursuant to Section 12.22 A.25(g)(2) of the Los Angeles Municipal Code (LAMC), the applicant proposes to set aside 46% of the units for Very Low Income households, 30% of the units for Low Income households, and 22% of the units for Moderate Income households and requests the following one (1) on-menu incentive:
  - a. Averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone.
- 3. Pursuant to Section 12.22 A.25(g)(3) of the LAMC, the applicant requests the following off-menu incentives:
  - a. A Waiver of Development Regulations to permit more than two lots in the Specific Plan Subarea A to be tied together and contain approximately 32,541 square feet of lot area in lieu of the maximum 15,000 square feet of combined lot area permitted by Section 7.A of the Vermont / Western Specific Plan (SNAP).
  - b. A Waiver of Development Standards to permit a building (on the Serrano Avenue lots) that is approximately 33 feet greater in height than the height of the shortest existing building on an adjacent lot where the maximum increase would otherwise permit a building that is 15 feet greater in height, and to permit rooftop structures to be setback less than 10 feet as otherwise required per Section 7.D of the SNAP. This would permit a maximum building height of 45 feet in lieu of the permitted 27 feet.
  - c. A Waiver of Development Standards in Section 7.I of the Specific Plan and Section IV of the Development Standards and Design Guidelines as follows:
    - To permit the required common useable open space to maintain a 15foot minimum dimension, in lieu of the minimum 20-foot dimension as required per Guideline Section IV.3 of the SNAP.
    - ii. To permit windows facing windows across property lines or facing private outdoor space of other residential units, as prohibited by Guideline Section IV.14 of the SNAP.
  - d. A Waiver of Development Standards to permit an accessory use (open space) located in a more restrictive zone (R3-1XL Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone) as otherwise prohibited by Section 12.21 C.5(h) of the LAMC.
  - e. A Waiver of Development Standards to permit a building (on the Hobart Boulevard lot) 45 feet in height in lieu of the 30-foot height maximum permitted in Height District 1XL.
- 4. Pursuant to Section 11.5.7 C of the LAMC, a Specific Plan Project Permit Compliance with the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan, Ordinance 173,749.

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#### **RECOMMENDED ACTIONS:**

1. **Certify** the Environmental Impact Report (EIR) and Errata (dated October 9, 2014 and October 25, 2013) for the above referenced project and **Adopt** the proposed **Mitigation Monitoring Program** and the required findings for the adoption of the EIR and **Statement of Overriding Considerations**.

- 2. **Approve** the following **one (1) on-menu incentive,** pursuant to Section 12.22 A.25(g)(2) of the Municipal Code, requested by the applicant for a project totaling 54 dwelling units, reserving 25 (46%) for Very Low Income household occupancy, reserving 16 (30%) for Low Income household occupancy and reserving 12 (22%) for Moderate Income household occupancy for a period of 55 years:
  - a. Averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone.
- 3. **Approve** the following **off-menu incentives**, pursuant to Section 12.22 A.25(g)(3) of the Municipal Code, requested by the applicant for a project totaling 54 dwelling units, reserving 25 (46%) for Very Low Income household occupancy, reserving 16 (30%) for Low Income household occupancy and reserving 12 (22%) for Moderate Income household occupancy for a period of 55 years:
  - a. A Waiver of Development Standards to permit more than two lots in the Specific Plan Subarea A to be tied together and contain approximately 32,541 square feet of lot area in lieu of the maximum 15,000 square feet of combined lot area permitted by Section 7.A of the SNAP.
  - b. A Waiver of Development Standards to permit a building (on the Serrano Avenue lots) that is approximately 33 feet greater in height than the height of the shortest existing building on an adjacent lot where the maximum increase would otherwise permit a building that is 15 feet greater in height, and to permit rooftop structures to be setback less than 10 feet as otherwise required per Section 7.D of the SNAP. This would permit a maximum building height of 45 feet in lieu of the permitted 27 feet.
  - c. A Waiver of Development Standards in Section 7.I of the Specific Plan and Section IV of the Development Standards and Design Guidelines as follows:
    - i. To permit the required common useable open space to maintain a 15-foot minimum dimension, in lieu of the minimum 20-foot dimension as required per Guideline Section IV.3 of the SNAP.
    - ii. To permit windows facing windows across property lines or facing private outdoor space of other residential units, as prohibited by Guideline Section IV.14 of the SNAP.
  - d. A Waiver of Development Standards to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone) as otherwise prohibited by Section 12.21 C.5(h) of the LAMC.
  - e. A Waiver of Development Standards to permit a building (on the Hobart Boulevard lot) 45 feet in height in lieu of the 30-foot height maximum permitted in Height District 1XL.
- 4. Approve a Specific Plan Project Permit Compliance Review, pursuant to Section 11.5.7 C. of the Municipal Code, with the Vermont/Western Transit Oriented District Specific Plan / Station Neighborhood Area Plan (SNAP), Ordinance 173,749.

# 5. Adopt the attached Findings.

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# PROJECT ANALYSIS

# **PROJECT SUMMARY**

The site is comprised of three (3) lots; two (2) lots are located along Serrano Avenue and one (1) lot is located on Hobart Boulevard. The project proposes the demolition of four (4) existing two-story apartment buildings and the relocation of two (2) existing 1-story bungalow structures to a location along Serrano Avenue. The two bungalow structures contain three (3) dwelling units which would remain. The project also involves the construction of a new 51-unit multifamily building with a maximum height of 45 feet. At the ground level and above, the 51-unit project is designed as two residential buildings with a shared subterranean level of parking. The subterranean parking level would contain 56 parking stalls. The project would result in a total of 54 dwelling units with approximately 46,353 square feet of floor area. All the proposed units would be reserved as affordable units excluding one (1) unrestricted manager's unit.

#### **Requested Actions**

#### **Multiple Approvals**

For a project that does not require multiple legislative or quasi-judicial approvals, the Director of Planning has the initial decision-making authority for a Project Permit Compliance pursuant to LAMC Section 11.5.7 C and the Density Bonus application with on-menu incentive pursuant to LAMC 12.22 A.25. Because the subject case, CPC-2010-1554-DB-SPP, includes a request for a Density Bonus application with off-menu incentives, the City Planning Commission has the initial-decision making authority for the requested Project Permit Compliance Review and Density Bonus Compliance Review with on-menu incentive.

# **Density Bonus**

The Applicant proposes a project totaling 54 dwelling units, which reserves 25 units for Very Low Income household occupancy, reserves 16 units for Low Income household occupancy, and reserves 12 units for Moderate Income household occupancy for a period of 55 years. The project will provide one (1) Market Rate Managers unit. As a result of setting aside these restricted affordable units, the Applicant qualifies for three on-menu incentives. The applicant is requesting one (1) on-menu incentive.

The project site allows for 40 units based on the area regulations of the underlying R3-1XL Zone and [Q]R4-2 Zone and 32,540 square feet of lot area. The R3-1XL Zone and [Q]R4-2 Zone permits one (1) housing unit per each 800 square feet of lot area. The Density Bonus Ordinance grants an increase in the permitted density for projects that provide a minimum number of set-aside affordable units. Pursuant to LAMC 12.22 A.25, a graduated, sliding scale of density increases corresponds with the percentage and type of affordable units that is provided.

The project exceeds the minimum number of units that are required to be set aside as restricted affordable units, thereby qualifying for a density bonus increase up to 35 percent above the base density of 40 units. This equals an additional 14 residential units. The project proposes a total of 54 residential units, the maximum permitted under Density Bonus regulations.

On-Menu Incentives – Averaging of FAR, Density, Parking, Open Space and permitting Vehicular Access from a less restrictive zone to a more restrictive zone.

In accordance with California State Law (including Senate Bill 1818, and Assembly Bills 2280 and 2222), the applicant is proposing to utilize Section 12.22 A.25 (Density Bonus) of the Los Angeles Municipal Code (LAMC), which permits a density bonus of 35 percent. This allows for 54 total dwelling units in lieu of the otherwise maximum density limit of 40 dwelling units on the property. A density bonus is automatically granted in exchange for the applicant setting aside a portion of dwelling units as restricted affordable units for a period of 55 years. Consistent with the Density Bonus Ordinance, the Applicant is also automatically granted a reduction in required parking based on two Parking Options, or a reduction based on the Bicycle Parking Ordinance. The Applicant selected Parking Option 2, which requires a total of 56 parking spaces.

Pursuant to LAMC Section 12.22 A.25(e)(2), in order to be eligible for any on-menu incentives, a Housing Development Project (other than an Adaptive Reuse Project) shall comply with the following criteria, which it does:

a. The façade of any portion of a building that abuts a street shall be articulated with a change of material or a break in plane, so that the façade is not a flat surface.

The project is located within the Vermont/Western SNAP Specific Plan and designated as Subarea A. The Specific Plan includes Development Standards and Design Guidelines that include building design requirements to ensure that a project avoids large blank expanses of building walls, is designed in harmony with the surrounding neighborhood, and creates a pedestrian friendly environment. The Façade Relief Development Standard addresses façade relief at specified horizontal and vertical intervals and recommended building articulation techniques. The Roof Lines Development Standard ensures that roof lines are broken up at least every 40 feet through architectural features. The Project Permit Compliance Review findings discuss compliance with the SNAP Specific Plan and Development Standards and Design Guidelines. As conditioned in the Project Permit Compliance Review, the project will provide well-designed and articulated buildings.

b. All buildings must be oriented to the street by providing entrances, windows, architectural features and/or balconies on the front and along any street facing elevation.

The project is located within the Vermont/Western SNAP Specific Plan and designated as Subarea A. The SNAP Specific Plan includes Development Standards and Design Guidelines, which include requirements for the location of pedestrian entrances and the design of pedestrian entrances. The Project Permit Compliance Review findings discuss compliance with the SNAP Specific Plan and Development Standards and Design Guidelines. As conditioned in the Project Permit Compliance Review, the Applicant will provide well-designed and articulated pedestrian entrances to the proposed project.

c. The Housing Development Project shall not involve a contributing structure in a designated Historic Preservation Overlay Zone (HPOZ) and shall not involve a structure that is a City of Los Angeles designated Historic-Cultural Monument (HCM).

The proposed project is not located within a designated Historic Preservation Overlay Zone, nor does it involve a property that is designated as a City Historic-Cultural Monument.

d. The Housing Development Project shall not be located on a substandard street in a Hillside Area or in a Very High Fire Hazard Severity Zone as established in Section 57.25.01 of the LAMC.

The project is not located in a Hillside Area, nor is it located in a Very High Fire Hazard Severity Zone.

As such, the Applicant is eligible for three (3) density bonus on-menu incentives and is requesting one (1) density bonus on-menu incentives for the averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone.

# Off-Menu Incentives – Waiver of Development Standards

The Applicant is requesting waivers/modifications from development standards that are not listed as on-menu incentives. These modifications are identified as "off-menu" waivers, and the Applicant states that they are required by the project in order to accommodate the proposed development of 54 residential units (53 restricted affordable units and one (1) market rate manager's unit). The waivers require approval by the City Planning Commission.

**Lot Tie.** A Waiver of the Development Standards to permit more than two lots in Subarea A to be tied together and contain approximately 32,541 square feet of lot area. The SNAP does not permit a lot tie of more than two lots, with a combined 15,000 square feet of lot area in Subarea A.

**Transitional Height.** The SNAP does not permit new projects to exceed a height that is more than 15 feet taller than the shortest adjacent building. The project requests a Waiver of Development Standards to permit a building that is approximately 33 feet greater in height than the height of the shortest existing building on an adjacent lot, and to permit rooftop structures to be setback less than 10 feet as otherwise required per Section 7.D of the SNAP. This would permit a maximum building height of 45 feet in lieu of the permitted 27 feet.

**Development Standards and Design Guidelines**. A Waiver of Development Standards in Section 9.I of the Specific Plan and Section IV of the Development Standards and Design Guidelines to permit two deviations: To permit the required common useable open space to maintain a 15-foot minimum dimension, in lieu of the minimum 20-foot dimension as required per Guideline Section IV.3 of the SNAP; and to permit windows facing windows across property lines or facing private outdoor space of other residential units, as prohibited by Guideline Section IV.14 of the SNAP.

**Accessory Use.** A Waiver of Development Standards to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([QR4-2 Zone) as otherwise prohibited by Section 12.21 C.5(h) of the LAMC.

**Height.** A Waiver of Development Standards to permit a building 45 feet in height in lieu of the 30-foot height maximum permitted in Height District 1XL.

#### **Project Permit Compliance Review**

The proposed project is located within Subarea A (Neighborhood Conservation) of the Vermont/Western Transit Oriented District Specific Plan / Station Neighborhood Area Plan (SNAP) adopted as Ordinance 173,749, effective March 1, 2001. The Applicant is requesting a

Project Permit Compliance Review approval with the SNAP. The SNAP provides for regulatory controls and incentives for development within its boundaries; the regulations set forth in the Specific Plan take precedence over those in the LAMC wherever the Specific Plan contains provisions which require or permit greater or lesser setbacks, street dedications, open space, densities, heights, uses or parking or other controls on development.

#### **BACKGROUND**

The proposed project site is located within the Hollywood Community Plan Area of the City of Los Angeles. The Hollywood Community Plan was adopted December 13, 1988. The project site has two land use designations - Medium Residential with a corresponding zone of R3 and High Density Residential with a corresponding zone of R4 and [Q]R5. The project site has a zoning classification of R3-1XL (the Serrano Avenue lots) and [Q]R4-2 (the Hobart Boulevard lot). The [Q] Qualified Condition on the Hobart Boulevard lot limits the residential density to the R3 density. The project is located within the boundaries of the Hollywood Redevelopment Project Area, the East Hollywood/Beverly Normandie Earthquake Disaster Assistance Project Area and the Vermont/Western Station Neighborhood Area Plan (SNAP) Specific Plan, which designates the project site as Subarea A, Neighborhood Conservation. Subarea A allows residential and commercial uses consistent with the underlying zone, in addition to public or private schools, child care facilities, parks, community gardens and Community Facilities on any lot or lots in Subarea A provided the building site for those uses has not more than two acres of combined lot area. The project site is permitted to be developed with a residential only project or Community Facilities as defined in Section 4 of the SNAP.

# **Description of the Property**

The subject property is an approximate 0.75 acre, irregular shaped, slightly sloping, interior parcel of land that functions like a through-lot, fronting approximately 100 feet along the east side of Serrano Avenue and approximately 75.5 feet along the west side of Hobart Boulevard. The site is comprised of three parcels with two parcels in the [Q]R4-2 Zone along Serrano Avenue and one parcel in the R3-1XL Zone on Hobart Boulevard. The project site is developed with 30 multi-family housing units, including four-two-story apartment buildings, and two single-story bungalow structures. The project site is developed and improved as two separate properties: two lots on Serrano Avenue and one lot on Hobart Boulevard.

The Serrano Avenue lots are developed with four residential structures. Two of the buildings are two-stories in height (25 feet) and are in the front of the lots. Two single-story bungalows are located at the rear of the lot and are not visible from street view. It is these two single-story bungalows that would be relocated and incorporated into the proposed project.

The Hobart lot is developed with two detached, two-story apartment buildings. The main building fronting Hobart Boulevard is set back approximately 25 feet from the sidewalk. The second apartment building is situated behind the main building. The main structure, initially constructed as a single-family residence, was later converted to a three-unit apartment building. The architectural style of this building includes diverse elements of the Spanish Colonial Revival style including Mission Revival, and the stark minimal stucco façades and stepped massing of the Pueblo Revival style.

# **Surrounding Zones and Uses**

The project site is located in an urbanized area and surrounded by multi-family residential uses.

North: R3-1XL and [Q]R4-2 zone – properties to the north are developed with a three-story, 22-unit apartment building and a three-story, 5-unit apartment building. These properties are designated as Subarea A in the SNAP. Further north is Hollywood Boulevard which contains a mix of commercial, residential and hotel uses.

<u>South:</u> R3-1XL and [Q]R4-2 zone – properties to the south are developed with a four-story, 111-unit apartment building and the Hollywood Bungalow Courtyards complex which was renovated by the project applicant (Hollywood Community Housing Corporation) as part of a separate affordable housing project completed in 2010. This project consists of 32 affordable housing units and are a series of low rise, single-story structures. These properties are designated as Subarea A in the SNAP. Further south is Sunset Boulevard which contains a mix of commercial and residential uses.

<u>West:</u> [Q]R4-2 Zone designation – properties to the west, across Serrano Avenue, are two- to four-story multi-family residential structures. These properties to the west are designated as Subarea A (Neighborhood Conservation) in the SNAP.

<u>East:</u> R3-1XL Zone – properties to the east, across Hobart Boulevard Avenue, consist of two-story multi-family residential land uses. These properties are designated as Subarea A in the SNAP.

#### **Streets and Circulation**

<u>Serrano Avenue:</u> designated as a Local Street is dedicated to 50 feet in width and improved with curb, sidewalk and gutter.

<u>Hobart Boulevard:</u> designated as a Local Street dedicated to 80 feet in width and improved with curb, sidewalk and gutter.

#### **Relevant Cases**

Permit No. LA 15081: Issued on May 4, 1922, for a two-family dwelling at 1612 and 1612½ North Serrano Avenue.

Permit No. LA 15082: Issued on May 4, 1922, for a one-family dwelling at 1610 North Serrano Avenue.

Ordinance No. 49615: Approved September 3, 1924, establishing a 25-foot building line along both sides of Hobart Boulevard between Hollywood Boulevard and Sunset Boulevard.

<u>CPC-1986-831-GPC</u>: On May 16, 1989, Ordinance 164,701 became effective changing the zoning on the subject property to the R3-1XL.

<u>CPC-1986-835-GPC:</u> On May 7, 1990, Ordinance No. 165,668 (SA 435) became effective, changing the zoning of the property fronting along Serrano Avenue to [Q]R4-2 subject to the following [Q] Qualifying Conditions.

- a. Density. Residential density shall be limited to a maximum of one dwelling unit for each 800 square feet of lot.
- b. Building Height. No building or structure shall exceed a height of forty-five (45) feet above grade. Roof structures are exempt pursuant to Los Angeles Municipal Code Section 12.32B3.

#### **Transit Access**

The project site is approximately 1,100 feet (0.2 miles) from the Metro Red Line Hollywood/Western Station, which is located on the southeast corner of Hollywood Boulevard and Western Avenue. The Metro Red Line Hollywood/Western Station provides access to Hollywood and the San Fernando Valley, with connecting service to the Metro Orange Line (serving the west Valley and Chatsworth), The Metro Red Line and Purple Line serve Downtown including Los Angeles Union Station, with connecting service to the Metro Gold Line (serving Pasadena and East Los Angeles), Amtrak passenger rail, Metrolink commuter rail, and bus service for regional and local lines. The Metro Purple Line also serves Koreatown. The Metro Blue Line originates at the 7th Street/Metro Center station and provides access from downtown Los Angeles to downtown Long Beach, as well as connecting service to the Metro Green Line (serving Norwalk, Redondo Beach, and LAX via shuttle). The project site is also served by Metro Local Lines 180/181 and 217 on Hollywood Boulevard and Harvard Boulevard, Local Line 207 on Hollywood Boulevard and Western Avenue and Local Line 2 on Sunset Boulevard and Hobart Boulevard. At Hollywood Boulevard and Western Avenue, the site is served by Metro Rapid Line 757 to Downtown Los Angeles and Pacific Palisades via Sunset Boulevard and Line 780 to Washington/Fairfax Transit Hub and Pasadena via Fairfax Avenue and Hollywood Boulevard and Colorado Boulevard.

#### **Professional Volunteer Program**

Projects that are required to go before the City Planning Commission as the initial decision-maker are presented by Planning Staff to the Professional Volunteer Program (PVP). The PVP consists of a rotating group of architects who assist Planning Staff on urban design issues and complex urban typologies and provide project specific urban design advice for Planning Staff consideration. On March 17, 2015, the subject project was presented to the PVP, which provided the following comments:

- The design approach to include the bungalows along Serrano Avenue should be applauded.
- All material choices should be delineated.
- The ultimate tree choice for the row of trees between the bungalows and the new building should match the renderings of the trees. There was a concern that the identified tree of choice, "Sweet Shade" would not be as full as the trees shown on the rendering. There was agreement that the trees in this location greatly mitigate the project's height, scale, and heat gain.
- A row of trees should be added to the southern strip of open space along the south property line. These trees should have the same fullness as that shown in the Serrano elevation for the "Sweet Shade" trees. This will mitigate heat and also will mitigate the scale of the building for the adjacent lower bungalow courts.
- Serrano Avenue fencing the gate in between the bungalows should be recessed from the face of the bungalows a few feet. Fencing / gates should be added to both north and side yard open space areas and this fencing should be similarly recessed from the face of the bungalow.
- Hobart Boulevard fencing the proposed fencing (which appears on the landscape plan but not the site plan) should be removed. In its place could be a fence/gate on both the

north and side yard open space areas. These fences/gates should be in line with the front facade of the building.

These comments were conveyed to the applicant. The project plans have been revised to include material choices. The choice of trees have remained the same as the applicant has confirmed that the tree choice will match the rendering. Conditions of Approval are included to require any fences, gates or free standing walls to be located behind the façades of the buildings.

#### **DENSITY BONUS LEGISLATION BACKGROUND**

The California State Legislature has declared that "[t]he availability of housing is of vital statewide importance," and has determined that state and local governments have a responsibility to "make adequate provision for the housing needs of all economic segments of the community." Section §65580, subds. (a), (d). Section 65915 further provides that an applicant must agree to, and the municipality must ensure, the "continued affordability of all low and very low income units that qualified the applicant" for the density bonus.

NOTE: California State Assembly Bill 2222 recently went into effect January 1, 2015. It introduces rental dwelling unit replacement requirements, which pertain to cases filed (not issued) as of January 1, 2015. This determination letter does not reflect replacement requirements because the case application was submitted to the Department of City prior to the effective date of the amended Law. The new state law also increases covenant restrictions from 30 to 55 years for cases issued (not just filed) as of January 1, 2015. This determination letter does reflect 55 year covenant restrictions, given that the case decision, or approval, as noted on the front page, is being issued after January 1, 2015.

With Senate Bill 1818 (2004), state law created a requirement that local jurisdictions approve a density bonus and up to three "concessions or incentives" for projects that include defined levels of affordable housing in their projects. In response to this requirement, the City created an ordinance that includes a menu of incentives (referred to as "on-menu" incentives) comprised of eight zoning adjustments that meet the definition of concessions or incentives in state law (California Government Code Section 65915). The eight on-menu incentives allow for: 1) reducing setbacks; 2) reducing lot coverage; 3) reducing lot width, 4) increasing floor area ratio (FAR); 5) increasing height; 6) reducing required open space; 7) allowing for an alternative density calculation that includes streets/alley dedications; and 8) allowing for "averaging" of FAR, density, parking or open space. In order to grant approval of an on-menu incentive, the City utilizes the same findings contained in state law for the approval of incentives or concessions.

Under Government Code Section § 65915(a), § 65915(d)(2)(C) and § 65915(d)(3) the City of Los Angeles complies with the State Density Bonus law by adopting density bonus regulations and procedures as codified in Section 12.22 A.25 of the Los Angeles Municipal Code. Section 12.22 A.25 creates a procedure to waive or modify zoning code standards which may prevent, preclude or interfere with the effect of the density bonus by which the incentive or concession is granted, including legislative body review. The Ordinance must apply equally to all new residential development.

In exchange for setting aside a defined number of affordable dwelling units within a development, applicants may request up to three incentives in addition to the density bonus and parking relief which are permitted by right. The incentives are deviations from the City's development standards, thus providing greater relief from regulatory constraints. Utilization of the Density Bonus/Affordable Housing Incentives Program supersedes requirements of the Los

Angeles Municipal Code and underlying ordinances relative to density, number of units, parking, and other requirements relative to incentives, if requested.

For the purpose of clarifying the Covenant Subordination Agreement between the City of Los Angeles and the United States Department of Housing and Urban Development (HUD) note that the covenant required in the Conditions of Approval herein shall prevail unless pre-empted by State or Federal law.

#### FINANCIAL ANALYSIS/PRO-FORMA

Pursuant to the Affordable Housing Incentive Density Bonus provisions of the LAMC (Section 12.22 A.25) proposed projects that involve on-menu incentives are required to complete the Department's Master Land Use Permit Application form, and no supplemental financial data is required. However, the City has determined that the level of detail provided in a pro forma is not necessary to make the findings for on-menu incentives. The City's Density Bonus Ordinance requires "a pro forma or other documentation" with requests for off-menu incentives, and the Applicant submitted a cost analysis attached as Exhibit D. However, off-menu density bonus cases do not have different findings from on-menu cases and do not require explicit financial analysis in the form of cap rates, construction costs, operating income, funding analysis and expenses.

#### **ISSUES**

#### **Historic Preservation**

The Hobart lot is developed with two detached, two-story apartment buildings. The main building fronting Hobart Boulevard is set back approximately 25 feet from the sidewalk. The second apartment building is situated behind the main building. The main structure, initially constructed as a single-family residence, was later converted to a three-unit apartment building.

There is concern that the main building at 1601 N. Hobart Boulevard should be a designated historic structure. However, as found in the EIR the structure located at 1601 N. Hobart Boulevard is not eligible for listing in the national, state or local registers as an exceptional, distinctive, outstanding, or singular example of its type or style of architecture. Based on the historic resources evaluation conducted by PCR Services Corporation, the EIR determined that, among other things: 1) the residence is not a pure example of Pueblo Revival style or Spanish Revival style architecture, or any other architectural style, and instead represents an "eclectic" blend of styles that include Mediterranean and indigenous influences; (2) the residence is not a notable work by architect Henry Harwood Hewitt; and (3) substantial alterations have been made to the residence that have compromised its integrity of design, including the removal of the rear courtyard and changes to the interior circulation pattern, such that the residence does not currently retain sufficient integrity to embody the distinguishing characteristics of an architectural style.

Furthermore, the historic resource evaluation found that the structure at 1601 N. Hobart Boulevard does not appear potentially eligible, either individually or as a contributing member of a potential district, under any of the applicable criteria for listing in the National Register or the California Register, or under any of the criteria for designation as a City HPOZ were the neighborhood to receive HPOZ designation. Additionally, there are no events associated with this property that have made a significant contribution to the broad patterns of cultural, political, economic, or social history of the nation, state or city. Furthermore, none of the occupants or various owners were notable or significant in history. Therefore, the structure at 1601 N. Hobart Boulevard was assigned a California Historic Resources Status Code of 6Z and is "found

ineligible for the National Register, California Register, or Local designation through survey evaluation."

On March 20, 2014 the Cultural Heritage Commission considered a Historic-Cultural Monument Application for the residence at 1601 N. Hobart Boulevard at a public hearing and unanimously denied the Application with a 4-0 vote and determined that the residence does not satisfy the City's criteria for a Historic-Cultural Monument. The Cultural Heritage Commission determined that the residence at 1601 N. Hobart Boulevard does not meet the City's criteria to be designated as an Historic-Cultural Monument because: (1) the residence is not a pure example of Pueblo Revival style or Spanish Revival style architecture, and instead represents an "eclectic" blend of styles that include Mediterranean and indigenous influences; (2) the residence is not a notable work by architect Henry Harwood Hewitt; and (3) substantial alterations have been made to the residence that have compromised its integrity of design, including the removal of the rear courtyard and changes to the interior circulation pattern, such that the residence does not currently retain sufficient integrity to embody the distinguishing characteristics of an architectural style. Therefore, consistent with the Cultural Heritage Commission's determination, the analysis provided in the EIR and the supplemental analyses provided with the Second Errata, demolition of the residence at 1601 N. Hobart Boulevard would not directly impact any historic resource as defined in Section 15064.5(a) of the CEQA Guidelines, and impacts upon historic resources would be less than significant.

There is also concern regarding a letter dated November 21, 2013 by ICF International which was issued after the project's Final Environmental Impact Report was completed. ICF is an outside consultant retained by the City to conduct an initial screening for historic resources as part of the City's National Historic Preservation Act Section 106 review, which is a requirement under the federal National Environmental Policy Act. While the ICF Letter recommends that the Hobart Structure be considered eligible for the National Register of Historic Places for purposes of the Section 106 consultation process, the ICF Letter is only a preliminary step in the Section 106 process, which would require additional action and analysis by a federal agency to determine if the Hobart Structure meets the eligibility requirements set forth in 36 CFR 800 (the Code of Federal Regulations dealing with Historic Preservation). However, pursuant to documentation from the Los Angeles Housing + Community Investment Department, no federal action or funding is proposed, and therefore Section 106 is not triggered by the proposed project. The ICF letter does not make any independent findings or determinations in support of its recommendation, nor does it provide any evidence or analysis demonstrating that the Hobart Structure could qualify for the National Register under applicable criteria.

## **Project Alternatives**

There are concerns that the project's EIR should have included a preservation alternative that analyzes the retention of the Hobart Structure. These concerns state that by not including a preservation alternative, the EIR did not consider a reasonable range of alternatives to the project. However, pursuant to CEQA, the project's EIR was not required to analyze a preservation alternative because there will be no significant impact to a historic structure.

Because no significant impacts to historic resources would occur, retention of the Hobart Structure would not "substantially lessen any of the significant effects of the project." Therefore, an alternative that includes the retention of the Hobart Structure is not required under CEQA. The EIR did include an analysis of a reasonable range of alternatives that meet CEQA's requirements, and no additional alternatives are required to be analyzed.

#### **Construction Noise**

An Environmental Impact Report was prepared for the project and it included a noise analysis. This analysis concluded that a portion of the construction noise could not be mitigated to a less than significant level. The nearby sensitive receptors (persons impacted by the noise) would

include the residential uses to the north, south, east, and west of the Project Site. Outdoor noise levels at noise-sensitive receptors 50 feet from the project site could range from 77 dBA to 86 dBA Leq (equivalent continuous noise level – this is an "average" because noise levels often fluctuate over a wide range with time) with the use of noise-attenuating devices on construction equipment. These levels would only occur for a limited duration during project construction and would not constitute frequent exposure.

Implementation of the mitigation measures described in the EIR would reduce the noise levels associated with the construction of the project to the maximum extent feasible. These measures include: compliance with the City's Noise Ordinance; limiting the hours of construction and demolition; conducting noisy activities as far away as possible from the nearest sensitive land uses; scheduling construction to avoid operating several pieces of equipment together; installing flexible sound control curtains around drilling apparatuses, drill rigs, and jackhammers when in use; using state-of-the-art noise shielding and muffling devices; installing eight-foot-tall barriers around the project site boundary; and providing notice of the construction schedule to surrounding off-site properties.

With implementation of these measures, construction-related noise impacts associated with the project would be reduced to the maximum extent feasible. Nevertheless, because noise levels are likely to exceed existing ambient noise levels by more than ten dBA for more than one day at the identified noise-sensitive receptors, and for more than five dBA for ten days in a three-month period, construction noise impacts would be considered to be significant and unavoidable under CEQA.

#### CONCLUSION

Based on the information submitted, public input including the public hearing, and mandatory findings for the requested entitlements, the Department of City Planning recommends that the Los Angeles City Planning Commission approve the requested Density Bonus Compliance On- and Off-Menu Incentives and Project Permit Compliance Review subject to the Conditions of Approval.

# **CONDITIONS OF APPROVAL**

#### **Density Bonus Conditions**

- 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 Los Angeles Municipal Code or the project conditions.
- 2. **Residential Density.** The project shall be limited to a maximum density of 54 residential units, including Density Bonus Units.
- 3. **Affordable Units.** A minimum of 53 units, that is 98 percent of the base dwelling units, shall be reserved as affordable units, as defined by the State Density Bonus Law 65915 (C)(2).
- 4. Housing Requirements. Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of the Los Angeles Housing and Community Investment Department (HCIDLA) to make 25 units available to Very-Low Income Households, 16 units available to Low Income Households and 12 units available to Moderate Income Households, for sale or rental as determined to be affordable to such households by HCIDLA for a period of 55 years. Enforcement of the terms of said covenant shall be the responsibility of HCIDLA. The applicant will present a copy of the recorded covenant to the Department of City Planning for inclusion in this file. The project shall comply with the Guidelines for the Affordable Housing Incentives Program adopted by the City Planning Commission and with any monitoring requirements established by the HCIDLA. Refer to the Density Bonus Legislation Background section of this determination.
- 5. **Automobile Parking.** Based upon the number of dwelling units proposed 56 parking spaces shall be provided for the project. Vehicle parking shall be provided consistent with LAMC Section 12.22 A.25, Parking Option 2, which permits one parking space for each Restricted Affordable Unit, except that Restricted Affordable Units that are set aside for Low or Very Low Senior Citizens and/or Disabled Persons may provide one-half parking space per unit and Restricted Affordable Units within a Residential Hotel may provide one-quarter parking space per unit. Non-Restricted Affordable Units (including any manager's units) shall provide parking consistent with the Vermont / Western Specific Plan (SNAP).
- 6. **Lot Tie.** The project is allowed a single development site that shall not exceed three lots and 32,540 square feet of lot area.
- 7. **Height.** The maximum building height shall be limited to 45 feet.
- 8. **Rooftop Structure Setback.** Structures on the roof shall observe the setbacks as shown on Exhibit A and shall not exceed the maximum building height by more than eight (8) feet.
- 9. **Averaging of Open Space.** The project shall be permitted to average the required open space lots on Serrano Avenue and Hobart Boulevard; the entirety of the open space inclusive of lots on Serrano Avenue and Hobart Boulevard shall be no less than 7,352 square feet. The project shall provide no less than 3,564 square feet of usable open

- space for the lots on Serrano Avenue and 3,788 square feet for the lot on Hobart Boulevard for a total of 7,352 square feet of open space.
- 10. **Accessory Use.** The open space located on the Serrano Avenue lots shall be permitted to be located in the R3 zone and serve the residential use located on the [Q]R4-2 Zone.
- 11. **Development Standards and Design Guidelines.** The project is allowed to provide:
  - a. A dimension of 15 feet in width for the common open space area that provides a minimum of 1,730 square feet and 1,552 square feet as shown on Exhibit A.
  - b. Some project windows on the north and south elevations to directly face windows of adjacent structures across property lines as depicted in Exhibit A.

# **Project Permit Compliance Conditions**

- 12. **Parks First.** Prior to the issuance of any building permit, the applicant shall complete the following:
  - a. Make a payment of \$103,200 for the net increase of 24 residential dwelling units to the Office of the City Administrative Officer (CAO), Parks First Trust Fund.
  - b. Contact Maria Ramos of the CAO directly at (213) 978-7683 or maria.ramos@lacity.org, to arrange for payment.
  - c. The calculation of a Parks First Trust Fund fee to be paid or actual park space to be provided pursuant to this Ordinance shall be off-set by the amount of any Quimby Fee (LAMC § 17.12) or dwelling unit construction tax (LAMC § 21.10.1, et seq.) paid as a result of the project.
  - d. All residential units in a project, containing units set aside as affordable for very low or low income residents, that are subsidized with public funds and/or Federal or State Tax Credits with affordability covenants of at least 30 years are exempt from the Parks First Trust Fund.
- 13. **Bicycle Parking.** The project shall provide a minimum of 27 bicycle parking spaces for residential uses.
- 14. **Revised Landscape Plan.** Prior to the issuance of a building permit, a revised landscape plan shall be submitted that shows:
  - a. An irrigation plan shall be provided showing all landscaped areas are irrigated with an automated watering system including the public right-of-way. Landscaping shall be maintained in good health for the life of the project.
  - b. The first 25 feet in length of the driveway shall be constructed with Portland cement concrete, pervious cement, grasscrete, or any other porous surface that reduces heat radiation and/or increase surface absorption.
  - c. Additional screening shrubs shall be planted to surround the transformer and pad in the front yard on the Hobart Boulevard site to the greatest extent feasible.

- d. There shall be no new fence, gate, or freestanding wall located between the front façade of the Hobart Boulevard building and the public right-of-way. Any fencing, gates, or freestanding walls shall be located behind the front façade.
- e. There shall be no new fence, gate, or freestanding wall located between the front façades of the Serrano Avenue bungalow buildings and the public right-of-way. Any fencing, gates, or freestanding walls shall be located behind the front façades of the buildings.
- 15. **Street Trees.** Prior to the issuance of any building permit, the Applicant shall obtain a Class "A" or "B" Permit guaranteeing installation of:
  - a. Five (5), 24-inch box trees shall be provided in the public right-of-way along the Serrano Avenue project frontage subject to the Department of Street Services, Urban Forestry Division requirements.
  - b. Three (3), 24-inch box trees shall be provided in the public right-of-way along the Hobart Boulevard project frontage subject to the Department of Street Services, Urban Forestry Division requirements.
  - c. A tree well cover or decomposed granite shall be provided for every new and existing street tree immediately adjacent to the project frontage subject to review by the Department of Public Works.
  - d. An automatic irrigation system with moisture sensor shall be provided.
  - e. Tree removal and replacement shall be conducted consistent with the Department of Street Services, Urban Forestry Division requirements.
  - f. The Applicant shall be responsible for new street tree planting and pay fees for clerical, inspection, and maintenance per the Los Angeles Municipal Code Section 62.176 for each tree.

Note: Contact the Urban Forestry Division, Subdivision staff, at (213) 847-3088 for site inspection prior to any street tree work.

- 16. **Utilities.** All new utility lines which directly service the lot or lots shall be installed underground. If underground service is not currently available, then provisions shall be made by the Applicant for future underground service.
- 17. **Trash, Serve Equipment, Satellite Dishes.** Service equipment and satellite dishes shall be located away from streets and enclosed or screened by landscaping, fencing or other architectural means.
- 18. Rooftop Appurtenances. All rooftop equipment and building appurtenances shall be screened from any street, public right-of-way, or adjacent property with enclosures or parapet walls constructed of materials complimentary to the materials and design of the main structure.
- 19. **Building Color.** Buildings should be painted three colors: a dominate color, a subordinate color and a "grace note" color.

# **Environmental Conditions**

#### 20. Geology and Soils.

- a. A-1. Excavation and grading activities shall be scheduled during dry weather periods as feasible. If grading occurs during the rainy season (October 15 through April 1), diversion dikes shall be constructed to channel runoff around the site. Channels shall be lined with grass or roughened pavement to reduce runoff velocity.
- b. A-2. Appropriate erosion control and drainage devices shall be implemented to the satisfaction of the Building and Safety Department. These measures include interceptor terraces, berms, vee-channels, and inlet and outlet structures, as specified by Section 91.7013 of the Building Code, including planting fast-growing annual and perennial grasses in areas where construction is not immediately planned.
- c. A-3. Stockpiles and excavated soil shall be covered with secured tarps or plastic sheeting.
- d. A-4. The design and construction of the proposed Project shall comply with all recommendations provided in the geotechnical report. The geotechnical analysis and design measures shall be reviewed and approved by the City of Los Angeles Department of the Building and Safety.

# 21. Hazards / Risk of Upset.

- a. A-5. All future renovation, demolition, construction or abatement activities with the potential for disturbing the identified ACM and LBP shall be performed by properly trained and qualified personnel. These activities should be conducted in accordance with all applicable local, State and Federal laws and regulations. The presence of the identified hazardous building materials should be brought to the attention of contractors and personnel involved. Any employees, visitors, or contractors entering this property should be notified of the presence and condition of the asbestoscontaining materials and other hazardous materials (including those listed under Proposition 65), in accordance with applicable regulations.
- b. A-6. Prior to the issuance of the demolition permit, the Applicant shall provide a letter to the Department of Building and Safety from a qualified PCB abatement consultant that no PCBs are present on-site. If PCBs are found to be present, a qualified abatement consultant must abate the site in compliance with the applicable city, State, and Federal rules and regulations.

# 22. Hydrology and Water Quality (Water Quality).

- a. A-7. During construction, the Project Applicant shall implement all applicable and mandatory BMPs in accordance with the SUSMP and City of Los Angeles Stormwater Management Program. These BMPs shall include, but not be limited, to the following:
  - Erosion control procedures shall be implemented for exposed areas.
  - Appropriate dust suppression techniques, such as watering or tarping, shall be used.
  - Construction entrances shall be designed to facilitate the movement of trucks on site that are hauling debris from the site.

- Truck loads shall be tarped.
- b. A-8. All construction equipment and vehicles shall be inspected for and leaks repaired according to a regular schedule, specified in the Grading Plan approved by the Department of Building and Safety.

# 23. Public Services (Fire).

- a. A-9. The project developer shall submit a plot plan to the Los Angeles Fire Department prior to occupancy of the project for review and approval, which shall indicate access road and turning areas, and shall provide the capacity of the fire mains serving the Project Site. Any required upgrades shall be identified and implemented prior to occupancy of the proposed Project.
- b. A-10. The proposed Project shall comply with all fire code and ordinance requirements for building construction, emergency access, water mains, fire flows, and hydrant placement. Prior to issuance of a certificate of occupancy for any phase of the proposed Project, the project developer shall implement all fire code and ordinance requirements to the satisfaction of the Los Angeles Fire Department.
- c. A-11. The Proposed Project shall be designed and constructed in compliance with the following conditions to the satisfaction of the LAFD:
  - During demolition, the Fire Department access shall remain clear and unobstructed.
  - The entrance or exit of all ground dwelling units shall not be more than 150 feet from the edge of a roadway of an improved street, access road, or designated fire lane. Where above ground floors are used for residential purposes, the access requirement shall be interpreted as being the horizontal travel distance from the street, driveway, alley, or designated fire lane to the main entrance of individual units.
  - Entrance to the main lobby shall be located off the address side of the building.
  - Any required Fire Annunciator panel or Fire Control Room shall be located within 50 ft. visual line of site of the main entrance stairwell or to the satisfaction of the Fire Department.
  - Building designs for multi-storied residential buildings shall incorporate at least one access stairwell off the main lobby of the building; But, in no case greater than 150 feet horizontal travel distance from the edge of the public street, private street or Fire Lane. This stairwell shall extend unto the roof.
  - Access for Fire Department apparatus and personnel to and into all structures shall be required.
  - The width of private roadways for general access use and fire lanes shall not be less than 20 feet, and the fire lane must be clear to the sky.

- No proposed development utilizing cluster, group, or condominium design of one or two family dwellings shall be more than 150 feet from the edge of the roadway of an improved street, access road, or designated fire lane.
- No building or portion of a building shall be constructed more than 150 feet from the edge of a roadway of an improved street, access road, or designated fire lane.
- Where access for a given development requires accommodation of Fire Department apparatus, overhead clearance shall not be less than 14 feet.
- The Fire Department may require additional vehicular access where buildings exceed 28 feet in height.
- Where fire apparatus will be driven onto the road level surface of the subterranean parking structure, that structure shall be engineered to withstand a bearing pressure of 8,600 pounds per square foot.
- No framing shall be allowed until the roadway is installed to the satisfaction of the Fire Department.
- Any required fire hydrants to be installed shall be fully operational and accepted by the Fire Department prior to any building construction.
- Electric Gates approved by the Fire Department shall be tested by the Fire Department prior to Building and Safety granting a Certificate of Occupancy.
- Where rescue window access is required, provide conditions and improvements necessary to meet accessibility standards as determined by the Los Angeles Fire Department.
- Site plans shall include all overhead utility lines adjacent to the site.
- Any roof elevation changes in excess of 3 feet may require the installation of ships ladders.

#### 24. Public Services (Police).

- a. A-12. The Project Applicant shall observe Crime Prevention Through Environmental Design guidelines in the security features of the development.
- b. A-13. The project developer shall fence in the Project Site and provide additional security as necessary during the construction phase of the proposed Project.

#### 25. Public Services (Schools).

a. A-14. The applicant shall pay all applicable school fees to the Los Angeles Unified School District to offset the impact of additional student enrollment at schools serving the project area.

#### 26. Air Quality.

a. C-1. The Project applicant shall include in construction contracts the regulatory compliance measures required and/or recommended by the SCAQMD at the time of development, including but not limited to the following:

#### Rule 403 - Fugitive Dust

- Use watering to control dust generation during demolition of structures or break-up of pavement;
- Water active grading/excavation sites and unpaved surfaces at least three times daily;
- Cover stockpiles with tarps or apply non-toxic chemical soil binders;
- Limit vehicle speed on unpaved roads to 15 miles per hour;
- Sweep daily (with water sweepers) all paved construction parking areas and staging areas;
- Provide daily clean-up of mud and dirt carried onto paved streets from the Project Site;
- Suspend excavation and grading activity when winds (instantaneous gusts) exceed 15 miles per hour over a 30-minute period or more; and
- An information sign shall be posted at the entrance to each construction site
  that identifies the permitted construction hours and provides a telephone
  number to call and receive information about the construction project or to
  report complaints regarding excessive fugitive dust generation. Any
  reasonable complaints shall be rectified within 24 hours of their receipt.
- b. C-2. The Project shall meet the requirements of the City's Green Building Code. Specifically, as the Project would be considered "low-rise" per the City's Green Building Code, the Project shall:
  - Be designed to meet Title 24, 2008 Standards;
  - Reduce potable water consumption by 20% through the use of low-flow water fixtures:
  - All residential grade equipment and appliances provided and installed shall be ENERGY STAR labeled if ENERGY STAR is applicable to that equipment or appliance.

#### 27. Noise.

- a. F-1. The Project shall comply with the City's Noise Ordinance Nos. 144,331 and 161,574, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible.
- b. F-2. Construction and demolition shall be restricted to the hours of 7:00 A.M. to 6:00 P.M. Monday through Friday, and 8:00 A.M. to 6:00 P.M. on Saturday, and prohibited on all Sundays and federal holidays.
- c. F-3. Noise and groundborne vibration construction activities whose specific location on the Project Site may be flexible (e.g., operation of compressors and generators, cement mixing, general truck idling) shall be conducted as far as possible from the nearest noise and vibration-sensitive land uses.

- d. F-4. When possible, construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- e. F-5. Flexible sound control curtains shall be placed around all drilling apparatuses, drill rigs, and jackhammers when in use.
- f. F-6. The Project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.
- g. F-7. Barriers such as plywood structures or flexible sound control curtains extending eight feet high shall be erected around the Project Site boundary to minimize the amount of noise on the surrounding noise-sensitive receptors to the maximum extent feasible during construction.
- h. F-8. All construction truck traffic shall be restricted to truck routes approved by the Department of Building and Safety, which shall avoid residential areas and other sensitive receptors to the extent feasible.
- i. F-9. The Project shall comply with the City's Building Regulations Ordinance No. 178048, which requires a construction site notice to be provided that includes the following information: job site address, permit number, name and phone number of the contractor and owner or owner's agent, hours of construction allowed by code or any discretionary approval for the site, and City telephone numbers where violations can be reported. The notice shall be posted and maintained at the construction site prior to the start of construction and displayed in a location that is readily visible to the public and approved by the City's Department of Building and Safety.
- j. F-10. Two weeks prior to the commencement of construction at the Project Site, notification shall be provided to the immediate surrounding off-site properties that discloses the construction schedule, including the various types of activities and equipment that would be occurring throughout the duration of the construction period.
- k. F-11. The Project Applicant shall retain a certified structural engineer to submit evidence that the vibration-generating equipment that would be used during the construction activities at the Project Site would not result in any structural damage to any adjacent structures immediately surrounding the Project Site.
- I. F-12. All new mechanical equipment associated with the proposed Project shall comply with Section 112.02 of the LAMC, which prohibits noise from air conditioning, refrigeration, heating, pumping, and filtering equipment from exceeding the ambient noise level on the premises of other occupied properties by more than five dBs.
- m. F-13. All exterior windows associated with the proposed residences at the Project Site shall be constructed with double-pane glass and use exterior wall construction that provides a Sound Transmission Class of 50 or greater as defined in UBC No. 35-1, 1979 edition or any amendment thereto. As an alternative, the Project Applicant may retain an acoustical engineer to submit evidence, along with the application for a building permit, any alternative means of sound insulation sufficient to mitigate residential interior noise levels below a CNEL of 45 dBA in any habitable room.

# 28. Archaeological Resources.

- a. G-1. If any archaeological materials are encountered during the course of Project development, all further development activity shall halt and:
  - i. The services of an archaeologist shall then be secured by contacting the South Central Coastal Information Center ("SCCIC") (657-278-5395) located at California State University Fullerton, or a member of the Society of Professional Archaeologist ("SOPA") or a SOPA qualified archaeologist, who shall assess the discovered material(s) and prepare a survey, study or report evaluating the impact;
  - ii. The archaeologist's survey, study, or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource;
  - iii. The Project Applicant shall comply with the recommendations of the evaluating archaeologist, as contained in the survey, study or report; and
  - iv. Project development activities may resume once copies of the archaeological survey, study or report are submitted to the SCCIC Department of Anthropology. Prior to the issuance of any building permit, the Project Applicant shall submit a letter to the case file indicating what, if any, archaeological reports have been submitted, or a statement indicating that no material was discovered.
  - v. A covenant and agreement binding the Project Applicant to this condition shall be recorded prior to issuance of a grading permit.
- b. G-2 If human remains are discovered at the Project Site during construction, work at the specific construction site at which the remains have been uncovered shall be suspended, and the City Public Works Department and County Coroner shall be immediately notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission ("NAHC") shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains.

#### 29. Paleontological Resources.

- a. G-3. If any paleontological materials are encountered during the course of Project development, all further development activities shall halt and:
  - i. The services of a paleontologist shall then be secured by contacting the Center for Public Paleontology - USC, UCLA, California State University Los Angeles, California State University Long Beach, or the Los Angeles County Natural History Museum - who shall assess the discovered material(s) and prepare a survey, study or report evaluating the impact;
  - The paleontologist's survey, study, or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource;
  - iii. The applicant shall comply with the recommendations of the evaluating paleontologist, as contained in the survey, study or report; and
  - iv. Project development activities may resume once copies of the paleontological survey, study or report are submitted to the Los Angeles County Natural History Museum. Prior to the issuance of any building permit, the Project

- Applicant shall submit a letter to the case file indicating what, if any, paleontological reports have been submitted, or a statement indicating that no material was discovered.
- v. A covenant and agreement binding the Project Applicant to this condition shall be recorded prior to issuance of a grading permit.

# **Administrative Conditions**

- 30. **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.
- 31. **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.
- 32. **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.
- 33. **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.
- 34. **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.
- 35. **Enforcement.** Compliance with these conditions and the intent of these conditions shall be to the satisfaction of the Department of City Planning.
- 36. **Covenant.** Prior to the issuance of any permits relative to this matter, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master covenant and agreement for CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Development Services Center for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided to the Department of City Planning for attachment to the subject case file.

- 37. **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.
- 38. **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**

# **Entitlement Findings**

1. Density Bonus/Affordable Housing Incentives Program Findings

Pursuant to Section 12.22 A.25(c) of the LAMC, the Director shall approve a Density Bonus and requested Incentive(s) unless the Director finds that:

a) The incentives are not required to provide for affordable housing costs as defined in California Health and Safety Code Section 50052.5 or Section 50053 for rents for the affordable units.

The record does not contain substantial evidence that would allow the Director to make a finding that the requested incentives are not necessary to provide for affordable housing costs per State Law. The California Health & Safety Code Sections 50052.5 and 50053 define formulas for calculating affordable housing costs for very low, low, and moderate income households. Section 50052.5 addresses owner-occupied housing and Section 50053 addresses rental households. Affordable housing costs are a calculation of residential rent or ownership pricing not to exceed 25 percent gross income based on area median income thresholds dependent on affordability levels.

The list of on-menu incentives in 12.22 A.25 were pre-evaluated at the time the Density Bonus Ordinance was adopted by the City of Los Angeles to include types of relief that minimize restrictions on the size of the project. As such, the Department will always arrive at the conclusion that the density bonus on-menu incentives are required to provide for affordable housing costs because the incentives by their nature increase the scale of the project.

The requested on-menu incentive – the Averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone – are expressed in the Menu of Incentives per LAMC 12.22 A.25(f) and, as such, permit exceptions to zoning requirements that result in building design or construction efficiencies that provide for affordable housing costs. The requested offmenu incentives – an increase in the transitional height, the ability to tie lots together, to reduce open space dimensional requirements, to permit windows to face other windows, to permit an accessory use to be located in a more restrictive zone, and to exceed the height limit by 15 feet – are not expressed in the Menu of Incentives per LAMC 12.22 A.25(f) and, as such, are subject to LAMC 12.22.A.25(g)(3), which requires a pro forma or other documentation to show that the waiver or modification of any development standards are needed in order to make the Restricted Affordable Units economically feasible.

The Applicant submitted a cost analysis along with an independent third-party financial analysis of the cost analysis in order to evaluate the financial feasibility of the project, attached as Exhibit D. Two scenarios were evaluated – Scenario 1 evaluated the building as proposed, and Scenario 2 evaluated a building with no off-menu incentives but with three on-menu incentives. Scenario 2 results in a building which has 45 units instead of 54 units and would cost \$6,008,609 more to develop than Scenario 1. Scenario 2 would provide 20% fewer affordable units at a total cost that is 23% more than the proposed project. It is therefore concluded that the requested off-menu incentives are necessary to make the project financially feasible. The rationale behind

this conclusion is that the project as proposed is designed with numerous efficiencies as a result of the off-menu incentives. Without the off-menu incentives, inefficiencies are created that result in the Alternative Project being significantly more expensive. This includes the need to re-design the project, delays due to the re-design, and the increase of construction cost due to the design which would have to include three (3) separate parking structures and three (3) open common space areas. Designing one building creates an economy of scale for elevators, circulation systems, and mechanical systems. If three buildings are built then each building needs to have its own elevator, circulation, and mechanical systems.

In addition, the funding sources required for the project's construction would be negatively impacted by both a delay in the project and by a reduction in unit count. Reducing the project to 45 units would reduce obtainable funding, and the need to redesign the project would require the project be re-submitted for future funding cycles. Some funding sources are uncertain and may not be continued while others have already been eliminated, putting the financial feasibility of the project in jeopardy. Therefore, the requested incentives ensure that the project as proposed is financially feasible.

The requested on- and off-menu incentives allow the developer to expand the building envelope so an additional 14 restricted affordable units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the Applicant's decision to set aside 25 units for Very Low Income household occupancy, 16 units for Low Income household occupancy, and 12 units for Moderate Income household occupancy for a period of 55 years.

#### Requested On-Menu Incentives

Averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone: The project site has two different zoning designations: R3-1XL and [Q]R4-2. The SNAP Subarea A allows residential and commercial uses consistent with the underlying zone. Although the [Q]R4-2 zone is a less restrictive zone, the [Q] Qualified condition for this lot limits the residential density to one unit per each 800 square feet of lot area – the same density regulations as the R3 zone. Therefore, while these are two different zoning designations they permit the same amount of maximum residential density.

The requested averaging of density, open space, parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone allows the building to be designed in the most efficient way possible, thereby accommodating the configuration, size, efficiency and density of affordable housing units and accommodating an acceptable unit mix of one, two and three bedroom units.

#### Requested Off-Menu Incentives

Lot Tie: Section 7.A. of the SNAP Specific Plan does not allow more than two lots, having a combined lot area of 15,000 square feet, to be tied together to form one single building site. The project site in question consists of three (3) separate lots which, when tied together, will form a 32,541 square foot parcel. The requested lot tie enables the project to be designed as one site, versus three separate buildings each containing their own parking, open space, and other amenities. This building design accommodates the

configuration, size, efficiency and density of affordable housing units and accommodates an acceptable unit mix of one, two and three bedroom units.

Transitional Height Increase and Rooftop Structures: Section 7.D. of the SNAP Specific Plan does not allow projects to be more than 15 feet taller than the shortest adjacent building. As shown in Exhibit A, the applicant has provided elevations showing the project site relative to the adjacent structures. For the Serrano site, the adjacent onestory residence to the north is approximately 17 feet 11 inches in height and the adjacent one-story bungalows to the south are 12 feet in height. Based on the shortest existing building to the south, the project is allowed a maximum transitional height of 27 feet. The project is requesting a maximum building height of 45 feet in lieu of the permitted 27 In addition, the Specific Plan allows roof structures and architectural rooftop features to be erected ten feet above the transitional height limit if those structures and features are set back a minimum of ten feet. As part of this off-menu request, the Applicant requests to allow rooftop structures to be setback as shown in Exhibit A and erected up to eight feet higher than the requested off-menu transitional height limit of 45 feet in lieu of rooftop structures that are setback ten feet. The requested increase in height and reduced setback for rooftop structures allow a building height that accommodates the configuration, size, efficiency and density of affordable housing units and accommodates an acceptable unit mix of one, two and three bedroom units.

Development Standards and Design Guidelines: Development Standards in Section 7.1 of the Specific Plan and Section IV of the Development Standards and Design Guidelines require the common usable open space to maintain 20-foot dimension. The Guidelines also do not permit windows to face windows across property lines or facing private outdoor space of other residential units. The applicant has provided a window diagram as depicted in Exhibit A showing the relationship of the proposed project's windows on the north and south elevations and the windows of the adjacent multi-family structures, as well as the proposed perimeter wall. On the Hobart site, the project's north elevation is adjacent to a three-story residence. There are no windows on the ground floor of the adjacent residence as this is their carport area. The window diagram shows that some project windows on the second and third floors directly face adjacent windows across the north property line. The project proposes 44 glass windows and doors on the north elevation, while the adjacent residence has 24 windows. Of these windows approximately seven directly face each other. The remaining windows either slightly overlap or are completely off-set. On the Hobart site, the project's south elevation is adjacent to a four-story residence. The window diagram shows that the proposed sixfoot six-inch perimeter wall is taller than the first floor project windows; however, some project windows on the second and third floors directly face adjacent windows across the south property line. The project proposes 41 glass windows and doors on the south elevation, while the adjacent residence has 37 windows. Of these windows approximately three directly face each other. The proposed project will also have windows that face the adjacent bungalows central courtyard. Regarding the open space dimensions, the applicant has proposed four common open space areas, which all provide more than the minimum area of 600 square feet. However, two of the common open space areas do not provide the minimum dimension of 20 feet, but rather 15 feet.

The requested design modification to allow a reduction in the open space dimensions and to allow windows to face other windows and private open space accommodates the configuration, size, efficiency and density of affordable housing units and accommodates an acceptable unit mix of one, two and three bedroom units.

Accessory Use in a more restrictive zone: The LAMC Section 12.21 C.5(h) does not permit an Open Space use to be located in a more restrictive zone (R3 zone) and serve

a main residential use that is located in a less restrictive zone ([Q]R4-2 zone). As the project is designed as one site, the open space provided in the R3 zoned lots will serve residential units located in the [Q]R4-2 zoned lots. The requested modification to permit the open space to serve residential units in a less restrictive zone accommodates the configuration, size, efficiency and density of affordable housing units and accommodates an acceptable unit mix of one, two and three bedroom units.

Increased Height: The Hobart site is zoned R3-1XL which is limited to a maximum building height of 30 feet per the LAMC. The new four-story residential structure on the Hobart site has a maximum building height of 45 which is 15 feet more than permitted pursuant to the LAMC. The additional height will permit two additional building stories, enabling more residential units. The requested increase in height accommodates the configuration, size, efficiency and density of affordable housing units and accommodates an acceptable unit mix of one, two and three bedroom units.

The requested incentives will allow the developer to build the 54 residential units and expand the project's building envelope so that the units being constructed are of sufficient size, configuration, and quality. Without the incentives, the buildable envelope could not fully accommodate the unit sizes and featured amenities available to all of the residents within the affordable housing development.

b) The Incentive will have a specific adverse impact upon public health and safety or the physical environment, or on any real property that is listed in the California Register of Historical Resources and for which there are no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to Very Low, Low and Moderate Income households. Inconsistency with the zoning ordinance or the general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

There is no evidence that the proposed incentives will have a specific adverse impact. A "specific adverse impact" is defined as, "a significant, quantifiable, direct and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete" (LAMC Section 12.22.A.25(b)). The proposed project and potential impacts were analyzed in accordance with the City's Environmental Quality Act (CEQA) Guidelines and the City's L.A. CEQA Thresholds Guide. These two documents establish quidelines and thresholds of significant impact, and provide the data for determining whether or not the impacts of a proposed Project reach or exceed those thresholds. Analysis of the proposed Project involved the preparation of an Environmental Impact Report and Statement of Overriding Considerations, and it was determined that the proposed Project will have a significant and unavoidable impact on the following impact areas: construction noise and vibration, and cumulative construction noise and vibration. The project is conditioned to comply with the City's Noise Ordinance Nos. 144,331 and 161,574, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible. Technical infeasibility means that the noise limitations cannot be complied with despite the use of mufflers, shields, sound barriers and/or any other noise reduction device or techniques during the operation of the equipment. Because the project will exceed allowable noise levels during construction, a Statement of Overriding Considerations is adopted as part of this action. Therefore, there is no substantial evidence that the proposed Project will have a specific adverse impact on the physical environment, on public health and safety, and on property listed in the California Register of Historic Resources.

# 2. Project Permit Compliance Review Findings

a) The project substantially complies with the applicable regulations, findings, standards and provisions of the Specific Plan.

Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP)

- 1. Parks First. Section 6.F. of the Vermont/Western Specific Plan requires an Applicant to pay \$4,300 for each new residential unit. The project proposes to demolish four existing two-story apartment buildings with 27 units, maintain and relocate two existing bungalows with three units and the construction, use and maintenance of two, four-story residential buildings with 51 residential units. The project proposes a total of 54 residential units (53 restricted affordable units and one market rate manager's unit). The project includes a net increase of 24 dwelling units and is therefore required to pay \$4,300 per dwelling unit for a total of \$103,200 into the Parks First Trust Fund. However, all residential units in a project, set aside as affordable for Very Low or Low income residents that are subsidized with public funds and/or Federal or State Tax Credits with affordability covenants of at least 30 years are exempt from the Parks First Trust Fund. The calculation of a Parks First Trust Fund fee to be paid or actual park space to be provided pursuant to this Ordinance shall be off-set by the amount of any Quimby Fee (LAMC § 17.12) or dwelling unit construction tax (LAMC § 21.10.1, et seq.) paid as a result of the project. This requirement is reflected in the Conditions of Approval thus complying with Section 6.F. of the Specific Plan.
- 2. Residentially Zoned Properties. Section 7.A. of the Vermont/Western Specific Plan states that residential uses and Community Facilities are allowed consistent with the density and intensity of the underlying zone and that not more than two lots, having a total combined lot area of 15,000 square feet, may be tied together to form a single building site. Furthermore, parking shall be prohibited in the required front yards.

The project site is comprised of three parcels with two parcels in the [Q]R4-2 Zone that front onto Serrano Avenue and one parcel in the R3-1XL Zone that fronts onto Hobart Boulevard. The parcels on Serrano Avenue contain 15,017 square feet of lot area and the parcel on Hobart Boulevard contains 17,523 square feet of lot area for a total of approximately 32,540 square feet of lot area. The parcels in the [Q]R4-2 Zone are limited to one dwelling unit for every 800 feet of lot area pursuant to Ordinance No. 165,668 Subarea 435. The parcels in the R3-1XL Zone are limited to one dwelling unit for every 800 feet of lot area. Since the project site consists of 32,540 square feet of lot area, the project is allowed a total of 40 dwelling units based on the R3 Zone density. Pursuant to the Density Bonus Ordinance, the proposed project qualifies for a maximum 35 percent increase in residential density or an additional 14 dwelling units for a total of 54 units for setting aside at least 11 percent or five units of the base dwelling units for Very Low Income Households. However, the Applicant is proposing a project that sets aside 46% (25 units) for Very Low Income Households, 30% (16 units) for Low Income Households and 22% (12 units) for Moderate Income Households of the 54 units. The project complies with Section 7.A. of the Specific Plan only with a Density Bonus to allow the 35 percent increase in residential density of 14 dwelling units. This is reflected in the Conditions of Approval and therefore complies with the density of the underlying zones and Section 7.A. of the Specific Plan.

The proposed project does not comply with the lot area requirements of Section 7.A. of the Specific Plan, which does not allow a single development site to exceed two lots and 15,000 square feet of lot area. The project site includes three lots that total 32,450 square feet of lot area, which exceeds the number of lots to be combined and the lot area for a single development site. However, as a result of setting aside 53 restricted affordable units of the proposed 54 units, the Applicant qualifies for three on-menu incentives and requests five off-menu incentives for a Waiver or Modification of Development Standards. The Applicant is requesting a Waiver of Development Standards to this Section of the SNAP to permit three lots in Subarea A to be tied together that contain approximately 32,540 square feet of lot area in lieu of the maximum of two lots and 15,000 square feet of combined lot area. The findings for the off-menu request are above. The Department of City Planning recommends approval of the requested off-menu incentives. With the approval of the off-menu incentives from the City Planning Commission and as conditioned for exceeding the lot area requirements in the SNAP, the project complies with Section 7.A. of the Specific Plan.

Lastly, the project proposes one level of subterranean parking that is to be constructed beneath the two, new four-story residential structures. There will be 56 parking spaces provided in the subterranean garage with a single driveway along the Hobart Boulevard frontage, which provides all the vehicular ingress and egress for the project. As such, parking will not be provided in the required front yards.

- 3. Commercially Zoned Properties. Section 7.B. of the Vermont/Western Specific Plan states that commercial uses on commercially zoned properties are limited to those uses defined as "Neighborhood Retail" and "Neighborhood Serving" in LAMC Section 13.07 and limited to the ground floor only. The project site is not commercially zoned and the project does not propose commercial uses. The project is therefore exempt from Section 7.B. of the Specific Plan.
- 4. Schools, Child Care and Community Facilities. Section 7.C. of the Vermont/Western Specific Plan states that public or private schools, child care facilities, park, community gardens and Community Facilities are permitted on any lot or lots provided that the building site for the those uses has no more than two acres of combined lot area. The proposed project does not propose any of the above uses and therefore Section 7.C. of the Specific Plan does not apply to the project.
- 5. Transitional Height. Section 7.D. of the Vermont/Western Specific Plan states that the maximum height of any new building within Subarea A shall not exceed a height that is within 15 feet of the height of the shortest adjacent building on any adjacent lot. In addition, the Specific Plan allows roof structures and architectural rooftop features to be erected ten feet above the transitional height limit if those structures and features are set back a minimum of ten feet. As shown in Exhibit A, the applicant has provided elevations showing the project site relative to the adjacent structures. For the Serrano site, the adjacent one-story residence to the north is approximately 17 feet 11 inches in height and the adjacent one-story bungalows to the south are 12 feet in height. Based on the shortest existing building to the south, the project is allowed a maximum transitional height of 27 feet. The new four-story residential structure on the Serrano site has a maximum building height of 45 feet, which is 33 feet higher than the shortest adjacent building. Additionally, the roof plan shows that roof structures are not set back ten feet and are erected up to 48 feet for mechanical screening and 53 feet for an elevator, which is three feet and eight feet

higher than the transitional height proposed. The Applicant is requesting a Waiver of Development Standards to this Section of the SNAP to allow a building that is within 33 feet of the shortest adjacent building allowing a building height of 45 feet in lieu of a building that is within 15 feet of the shortest adjacent building allowing a building that is 27 feet. As part of this off-menu request, the Applicant requests to allow rooftop structures to be setback as shown on Exhibit A and erected up to eight feet higher than the transitional height limit in lieu of rooftop structures that are setback ten feet. The findings for the off-menu request are above in Section 1. The Department of City Planning recommends approval of the requested off-menu incentive. With the approval of the off-menu incentive from the City Planning Commission and as conditioned for exceeding the transitional height limit and reducing the setback for rooftop structures in the SNAP, the Serrano site complies with Section 7.D. of the Specific Plan.

For the Hobart site, the adjacent three-story residence to the north is approximately 31 feet six inches in height and the adjacent four-story residence to the south is approximately 38 feet eight inches in height. Based on the shortest adjacent building to the north, the project is allowed a maximum transitional height of 46 feet six inches. The new four-story residential structure on the Hobart site has a maximum building height of 45 feet, which is below the allowed 46-foot six-inch transitional height limit. However, the Hobart site is zoned R3-1XL and is limited to a maximum building height of 30 feet. The Applicant is requesting a Waiver of Development Standards to permit a building 45 feet in height in lieu of the 30-foot height maximum permitted in Height District 1XL. The findings for the off-menu request are above in Section 1. The project proposes a building height of 45 feet, which is below the allowed 46-foot six-inch transitional height limit. The Hobart site complies with Section 7.D of the Specific Plan.

6. Building Setback. Section 7.E. of the Vermont/Western Specific Plan states that all buildings shall face a public street. The project includes the maintenance of two existing bungalows on the Serrano site to be relocated to front onto Serrano Avenue and the construction of a new four-story residential structure behind the bungalows that are separated by a 1,730-square-foot common open space area. The front (west) elevation of the bungalows face the street and incorporate entrances to each of the three units in the bungalows and a central entrance to the common open space area leading to the new four-story structure. The project also includes a new four-story residential structure that fronts onto Hobart Boulevard. The front (east) elevation faces the street and incorporates an entrance to offices, a community room and residential units on the ground floor.

Section 7.E. of the Vermont/Western Specific Plan also sets forth a prevailing set back standard that the exterior wall of the building frontage shall be located no closer to the street than an adjacent neighbor and no farther from the street than an adjacent neighbor. For the Serrano site, the closest distance between the adjacent structure to the north and the street is 5.8 feet and the closest distance between the adjacent structure to the south and the street is 19.9 feet. The proposed development on Serrano Avenue provides a front yard setback that is eight feet, which is no closer or further than any of the adjacent properties. For the Hobart Boulevard site, the closest distance between the adjacent structure to the north and the street is 25.5 feet and the closest distance between the adjacent structure to the south and the street is 25 feet. The proposed development on Hobart Boulevard provides a front yard setback that is 25 feet, which is no closer or further than any of the adjacent properties. The project complies with Section 7.E. of the Specific Plan.

7. Usable Open Space. Section 7.F. of the Vermont/Western Specific Plan states that residential projects with two or more dwelling units must provide specified amounts of common and private open space pursuant to the standards set forth in the LAMC. The Specific Plan further stipulates that 50 percent of the total open space must be provided at ground level or first habitable room level of the project. The proposed development consists of a total of 54 residential units. The required amount of open space for the project site is shown in the table below. For the Serrano site, the project is required to provide a total of 3,800 square feet of open space of which 1,900 is required on the ground floor. For the Hobart site, the project is required to provide a total of 3,550 square feet of which 1,775 square feet is required to be on the ground floor.

Required Open Space Serrano				
Less than 3 habitable rooms	3	100	300	
Equal to 3 habitable rooms	14	125	1,750	
More than 3 habitable rooms	10	175	1,750	
Subtotal	27		3,800	
50% open space required on ground floor/first habitable room level			1,900	
Hobart				
Less than 3 habitable rooms	9	100	900	
Equal to 3 habitable rooms	10	125	1,250	
More than 3 habitable rooms	8	175	1,400	
Subtotal	27		3,550	
50% open space required on ground floor/first habitable room level			1,775	
Total	54		7,350	

The Applicant proposes to provide open space on the Serrano site and the Hobart site as shown in the table below. The proposed 3,564 square feet of total usable open space for the Serrano site is less than the required 3,800 square feet. The proposed 3,788 square feet of total usable open space for the Hobart site is more than the required 3,550 square feet.

The Applicant proposes a project totaling 54 dwelling units, which reserves 25 for Very Low Income household occupancy, 16 for Low Income household occupancy and 12 for Moderate Income household occupancy for a period of 55 years. As a result of setting aside these restricted affordable units, the Applicant qualifies for three on-menu incentives and requests five off-menu incentives for a Waiver or Modification of Development Standards. Although the Applicant qualifies for three on-menu incentives, the Applicant is seeking only one on-menu density bonus incentive to allow the averaging of open space between the Serrano site and the Hobart site. The proposed project is providing 3,564 square feet of open space on the Serrano site, which is short 236 square feet. The proposed project is providing 3,788 square feet on the Hobart site, which is an excess of 238 square feet. The

requested averaging of open space allows for the excess open space on the Hobart site to count toward the Serrano site's requirement. The project also provides the required amount of open space on the ground floor.

The Applicant is requesting a Waiver of Development Standards to permit an accessory use (open space) located in a more restrictive zone (R3-1XL Zone) on the Hobart site serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone) on the Serrano site. The findings for the off-menu request are above. The Department of City Planning recommends approval of the requested off-menu incentive. With the approval from the City Planning Commission and as conditioned for the on-menu incentive for averaging open space and the off-menu incentive for an accessory use (open space) located in a more restrictive zone serving a main residential use located in a less restrictive zone, the project complies with Section 7.F. of the Specific Plan.

Provided Open Space Serrano Site				
1 st	Courtyard	1,730		
1 st	Courtyard	634		
1st - 4 <sup>th</sup>	Balconies	1,200		
Subtotal		3,564		
Hobart Site				
1 st	Courtyard	918		
1 st	Courtyard	719		
1 <sup>st</sup>	Recreation Room	801		
1st - 4th	Balconies	1,350		
Subtotal		3,788		
Total Provided		7,352		

8. Project Parking Requirements. Section 7.G.1. of the Vermont/Western Specific Plan sets forth a minimum and maximum parking standard for residential projects. Projects that provide less than three habitable rooms per unit are required to provide a minimum and maximum of one (1) space per unit. Projects that provide three habitable rooms per unit are required to provide a minimum of one (1) space per unit and a maximum of 1.5 spaces per unit. Projects that provide more than three habitable rooms per unit are required to provide a minimum of 1.5 spaces per unit and a maximum of two (2) spaces per unit. The Specific Plan also requires an additional one-quarter minimum and maximum guest parking space per dwelling unit.

The SNAP requires a minimum of 63 residential parking spaces and allows a maximum of 72 residential parking spaces. Additionally, a minimum and maximum of 13 guest spaces is required. However, the project qualifies for Parking Option 2 under the Density Bonus Ordinance and may provide a minimum of one parking

space per restricted affordable unit. The project includes a total of 54 residential units, 53 restricted affordable units and one market rate manager's unit. The restricted affordable units are allowed to provide a minimum of 53 parking spaces per Parking Option 2 and the market rate manager's unit is required to provide a minimum of 1.5 spaces and a 0.25 guest space or a maximum of two spaces and a 0.25 guest space for a total of three spaces per the SNAP. The proposed project is therefore required to provide a total of 56 on-site parking spaces. The Applicant proposes to provide a minimum of 56 on-site parking spaces, which is allowed by the Density Bonus Ordinance and by Section 7.G.1. of the Specific Plan.

**Bicycles.** Section 7.G. of the Vermont/Western Specific Plan also states any residential project with two or more residential units must provide one-half (0.5) bicycle parking space per residential unit. The proposed development consists of 54 residential units requiring 27 bicycle parking spaces. The applicant proposes to provide 60 bicycle parking spaces that are located in the subterranean parking level and four bicycle parking spaces within the courtyard on the Serrano site between the bungalows and the new four-story residential structure, which meets the minimum requirement of 27 bicycle parking spaces for residential uses. The project therefore complies with Section 7.G.2. of the Specific Plan.

9. Conversion Requirements. Section 7.H. of the Vermont/Western Specific Plan sets forth requirements pertaining to the conversion of existing structures from commercial uses to residential uses. The project proposes to demolish four existing two-story apartment buildings with 27 units, maintain and relocate two existing bungalows with three units and the construction, use and maintenance of two, four-story residential buildings with 51 residential units. The project does not consist of the conversion of existing commercial uses to residential uses and is therefore exempt from the standards set forth in Section 7.H. of the Specific Plan.

**Development Standards.** Section 7.I. of the Vermont/Western Specific Plan requires that all projects be in substantial conformance with the following Development Standards and Design Guidelines:

10. Landscaped Focal Point. The Development Standards require all new development projects to be designed around a landscaped focal point or courtyard. The applicant has submitted a landscape plan showing a landscaped focal point within the front yard areas and landscaped courtyards. For the Serrano site, the landscape plan shows a landscaped front yard within the eight-foot setback that includes a variety of six, 36-inch box trees (Strawberry tree, Trumpet tree and Krauter Cherry Plum tree) surrounded by a variety of shrubs and groundcover. The bungalows are separated by a landscaped walkway that lead to a central courtyard that includes six, 48-inch box Sweet Shade trees that will provide shade and screening for the new four-story residential building. The walkway and courtyard also consist of permeable pavers and various types of ground cover and shrubs. For the Hobart site, the landscape plan shows a landscaped front yard within the 25-foot setback area that includes a central walkway to the new four-story residential building that consist of permeable pavers. On each side of the walkway there is a 48inch box California Sycamore tree that is surrounded by various types of ground cover and shrubs. There is also a seating area on each side of the central walkway adjacent to the new trees. The landscape plan also shows a transformer and pad within the 25-foot front yard setback adjacent to the sidewalk, which is screened with shrubs. The combination of the colors, textures, and sizes provide for an interesting front yard landscaped focal point and courtyard. The project therefore complies with this Development Standard.

- 11. Landscape Plan. The Development Standards require that all open areas not used for buildings, driveways, parking, recreational facilities, or pedestrian amenities shall be landscaped by lawns and other ground coverings. The applicant has submitted a landscape plan that shows a landscaped front vard as described above for the Serrano and Hobart sites. The landscape plan also shows landscaped side yards. common open space areas and a play area. The project site includes a seven-foot side yard along the north and south property lines that contain a walkway using permeable pavers that is surrounded by low water use shrubs and groundcover. Along the north property line on the Serrano site there are seven 36-inch box Strawberry trees and on the Hobart site there are 11 eight-foot King Palms. Along the south property line on the Serrano and Hobart sites there are nine 48-inch box Sweet Shade trees. These trees provide shade to future residents and screening of the new development. The Serrano site includes a 1,730-square-foot courtyard that is landscaped with trees, ground cover and shrubs and includes permeable pavers for the walkway. The project site shares a 1,552-square-foot common open space area that includes King Palms in decomposed granite or pebbles, planters with shrubs and ground cover and integral concrete paving in a light acid etch. The Hobart site includes a 719 square-foot play area with synthetic turf, new King Palms and a planter with ground cover and shrubs. The landscape plan submitted by the applicant shows a variety of plant species and trees have been incorporated into the site design that complements the new residential structures and provides attractive outdoor landscaped areas for future residents. All landscaped areas are required to be irrigated with an automated watering system. An irrigation plan was not included in the application. The applicant is required to provide an irrigation plan for all landscaped areas. As conditioned, the project complies with this Development Standard.
- 12. Usable Open Space. The Development Standards require that common usable open space areas must have a minimum dimension of twenty linear feet, a minimum area of 400 square feet for projects under ten dwelling units and 600 square feet for projects with ten dwelling units or more and must not have a slope exceeding tenpercent. The applicant has proposed four common open space areas, which all provide more than the minimum area of 600 square feet. However, two of the common open space areas do not provide the minimum dimension of 20 feet, but rather 15 feet.

The Applicant is requesting a Waiver of Development Standards to this requirement of the SNAP to permit a minimum dimension of 15 feet for two common open space areas in lieu of a minimum of 20 feet. The Department of City Planning recommends approval of the density bonus off-menu request. With the approval of the off-menu request for the minimum dimension in common open space areas from the City Planning Commission, the project complies with this Development Standard.

Open Space Type	Area (Square Feet)	Minimum Dimension
Courtyard – 1st Floor	1,730	15 feet
Courtyard – 1 <sup>st</sup> Floor	1,552	15 feet
Courtyard – 1 <sup>st</sup> Floor	719	26 feet 2 inches
Recreation Room – 1st Floor	801	22 feet

- 13. Street Trees. The Development Standards require one, 24-inch box shade tree to be planted and maintained in the public right-of-way for every 20 feet of street frontage. The subject site occupies 100 feet of street frontage along Serrano Avenue and 75 feet of street frontage along Hobart Boulevard. The project is therefore required to provide five street trees on Serrano Avenue and three street trees on Hobart Boulevard. The landscape plan shows that there are two existing street trees along Serrano Avenue that are to remain and two new street trees are proposed on Hobart Boulevard. The applicant is required in the Conditions of Approval to submit a revised landscape plan that shows the planting of new trees or the maintenance of existing trees in the public right-of-way that include five street trees on Serrano Avenue and three street trees on Hobart Boulevard subject to the Department of Public Works. As conditioned, the project complies with this Development Standard.
- **14. Utilities.** The Development Standards require all new utility lines which directly service the lot or lots to be installed underground. The applicant is required in the Conditions of Approval to place all new utilities associated with the project underground. If underground service is not currently available, then provisions shall be made for future underground service. As conditioned, the project complies with this Development Standard.
- 15. Pedestrian Access. The Development Standards require that pedestrian access shall be in the form of walks provided from the public street to the main building entrance. The proposed development along Serrano Avenue provides individual entrances from each of the three units in the two bungalows to the adjacent sidewalk. From the sidewalk there is also an entrance to the central courtyard providing access to the new four-story building located behind the bungalows. The proposed development along Hobart Boulevard provides a pedestrian entrance from the new four-story building to the adjacent sidewalk. The project complies with this Development Standard.
- **16. Alley Access.** The Development Standards require vehicle and pedestrian access from existing alleys or side streets to be preserved and enhanced. The subject site is not accessible via an alley. Therefore the project is exempt from this Development Standard.
- 17. Curb Cuts. The Development Standards allow no more than one curb cut per lot or 100 feet of lot frontage and further requires curb cuts to be a maximum of 20 feet in width unless more is required by the Department of Transportation or the Department of Building and Safety. The proposed development consists of three lots, of which two lots on Serrano Avenue occupy 100 feet of lot frontage and one lot on Hobart Boulevard occupies 75 feet of lot frontage. The applicant proposes one curb cut that is 20 feet wide on Hobart Boulevard. The project complies with this Development Standard.
- 18. Driveways. The Development Standards require that the first 25 feet in length of driveways to be constructed of Portland cement concrete, pervious cement, grasscrete, or any other porous surface that reduces heat radiation and/or increases surface absorption, thereby reducing runoff. The proposed development is accessible from Hobart Boulevard via a 20-foot wide driveway. The landscape plan does not indicate the material used for the proposed driveway. The applicant is required in the Conditions of Approval to provide a revised landscape plan showing Portland cement concrete or another semi-pervious paving surface for the first 25

feet in length of the driveway. As conditioned, the project complies with this Development Standard.

- 19. Parking Lots and Structures. The Development Standards require surface parking lots, structures, garages and carports to be located at the rear of buildings. Furthermore, surface parking lots shall be paved with Portland cement concrete, pervious cement, grass-crete, or any other porous surface that will reduce the heat radiation and/or increase the surface absorption. The project proposes one subterranean parking level, which is accessed via a driveway from Hobart Boulevard. Parking is not visible from the street level. The project complies with this Development Standard.
- 20. Trash, Serve Equipment and Satellite Dishes. The Development Standards require that trash, service equipment and satellite dishes be located away from streets and enclosed or screened by landscaping, fencing or other architectural means. Additionally, the trash area shall be enclosed by a minimum six-foot high decorative masonry wall. The applicant proposes a trash area located within the subterranean parking level in an enclosed room. The landscape plan shows that a transformer and pad is located within the front yard on the Hobart site and screening is only three screening shrubs are provided on the side adjacent to the sidewalk. The applicant is required in the conditions of approval to plant additional screening shrubs to the greatest extent feasible. The plans do not indicate the location of service equipment or satellite dishes. The applicant is required in the Conditions of Approval to locate service equipment and satellite dishes away from Serrano Avenue and Hobart Boulevard. As conditioned, the project complies with this Development Standard.
- 21. Roofs and Rooftop Appurtenances. The Development Standards require that all rooftop equipment be screened from public view or architecturally integrated into the design of the building. The applicant is required in the Conditions of Approval to screen all rooftop equipment, building appurtenances and ducts behind screening that shall be solid and match the exterior materials, design and color of the building. As conditioned, the project complies with this Development Standard.
- 22. Roof Lines. The Development Standards require that all rooflines in excess of 40 feet are broken up. As depicted on the roof plan in Exhibit A, the north, south, east and west elevations show a varied roofline by providing a three-foot parapet roof that is varied and recessed. The roof parapet changes depth from approximately six feet eight inches to approximately 29 feet two inches in horizontal length, which is more frequent than the required 40 feet. The design of the roofline complies with this Development Standard.
- 23. Privacy. The Development Standards require that buildings be arranged to avoid windows facing windows across property lines, or the private open space of other residential units. The project proposes windows on the north and south elevations, which share a property line with abutting multi-family structures. The applicant has provided a window diagram as depicted in Exhibit A showing the relationship of the proposed project's windows on the north and south elevations and the windows of the adjacent multi-family structures, as well as the proposed perimeter wall.

On the Serrano site, the project's north elevation is adjacent to a two-story residence and two one-story residences. The window diagram shows that the proposed six-foot six-inch perimeter wall is taller than the first floor project windows and therefore windows will not face windows across this portion of the property line. On the Hobart

site, the project's north elevation is adjacent to a three-story residence. There are no windows on the ground floor of the adjacent residence as this is their carport area. The window diagram shows that some project windows on the second and third floors directly face adjacent windows across the north property line. The project proposes 44 glass windows and doors on the north elevation, while the adjacent residence has 24 windows. Of these windows approximately seven directly face each other. The remaining windows either slightly overlap or are completely off-set.

On the Serrano site, the project's south elevation is adjacent to one-story bungalows. The window diagram shows that the proposed six-foot six-inch perimeter wall is taller than the adjacent structure's windows and therefore windows will not face windows across this portion of the property line. On the Hobart site, the project's south elevation is adjacent to a four-story residence. The window diagram shows that the proposed six-foot six-inch perimeter wall is taller than the first floor project windows; however, some project windows on the second and third floors directly face adjacent windows across the south property line. The project proposes 41 glass windows and doors on the south elevation, while the adjacent residence has 37 windows. Of these windows approximately three directly face each other. The remaining windows either slightly overlap or are completely off-set.

The surrounding structures don't appear to have designated open space areas with the exception of the one-story bungalows to the south of the Serrano site, which have a central landscaped courtyard. The proposed project will have windows that do face the bungalow's central courtyard. The landscape plan does show that nine, 48-inch box Sweet Shade trees will be planted along the south property line providing screening for privacy.

The Applicant proposes a project totaling 54 dwelling units, which reserves 25 for Very Low Income household occupancy, 16 for Low Income household occupancy and 12 for Moderate Income household occupancy for a period of 55 years. As a result of setting aside 53 restricted affordable units, the Applicant qualifies for three on-menu incentives and requests five off-menu incentives for a Waiver or Modification of Development Standards. The Applicant is requesting a Waiver of Development Standards to the Vermont/Western Specific Plan Development Standards and Design Guidelines to permit windows facing windows across property lines or facing private outdoor space of other residential units. The findings for the off-menu request are above in Section 1. The Department of City Planning recommends approval of the off-menu request. With the approval of the off-menu request for privacy from the City Planning Commission, the project complies with this Development Standard.

24. Façade Relief. The Development Standards require that all exterior building elevations, walls or fences provide a horizontal break in the plane for every 20 feet in horizontal length, and every 15 feet in vertical length created by an architectural detail or a change in material. The Specific Plan further requires architectural treatments on the building front elevation to be continued on the sides and back of buildings. As shown in Exhibit A and demonstrated in the floor plans, elevations and roof plan, the project provides frequent articulation through multiple breaks in the plane with variations in windows, building projections, building materials and stepping back the fourth floor. Building materials for the new four-story structures include fiber cement panels and stucco on the Serrano site and metal panels and stucco on the Hobart site. The applicant proposes a new six-foot six-inch fence/wall along the north and south (side) property lines that consist of a concrete masonry unit (CMU) wall and wrought iron fence. To meet the requirement to articulate the

fence/wall, the applicant proposes to alternate the materials with the CMU wall every 15 feet and the wrought iron fence every ten feet. The project complies with this Development Standard.

# **Design Guidelines**

- 25. General Building Design. The Design Guidelines recommend that buildings should be compatible in form with the existing neighborhood atmosphere. Serrano Avenue, between Hollywood Boulevard and Sunset Boulevard, is currently developed with multi-family residential buildings that are between one- and four-stories. The proposed four-story residential structure is consistent with the height and massing of surrounding structures, and replicates a traditional neighborhood development pattern wherein pedestrian access is provided via a central walkway and parking access is taken from a single driveway along the side of the property on Hobart Boulevard. Hobart Avenue, between Hollywood Boulevard and Sunset Boulevard, is currently developed with multi-family residential buildings that are between one- and four-stories. The proposed four-story residential structure is consistent with the height and massing of surrounding structures, and replicates a traditional neighborhood development pattern wherein pedestrian access is provided via a central walkway and parking access is taken from a single driveway along the side of the property on Hobart Boulevard. The proposed project is compatible with the surrounding area, and therefore satisfies this Design Guideline.
- 26. Architectural Features. The Design Guidelines recommend that courtyards, roof gardens, porches, balconies, arbors and trellises be used to add interest to the buildings. The project incorporates multiple landscaped open space areas that break up the residential structures and add interest to the buildings. The front courtyard on the Serrano site is 1,730 square feet. This courtyard breaks up the bungalows facing Serrano Avenue and the new four-story residential structure and allows the new structure to be setback approximately 49 feet from Serrano Avenue. The landscaping in the courtyard provides shade for residents and screening for the new four-story structure. The Serrano site also includes an interior courtyard that is 1,055 square feet; however, 450 square feet are under a walkway. The courtyard provides trees for shade, seating areas, hardscape and landscaping that includes shrubs and ground cover in a built up planter. There is a central courtyard that is 1,552 square feet that is located in between the buildings. This common area includes landscaping and trees as well as seating areas. The Hobart site includes a child's play area that is 719 square feet. The courtyards and common open spaces areas break up the bungalows, the new four-story residential structure on the Serrano site and the new four-story residential structure on the Hobart site. Furthermore, every residential unit with the exception of the bungalows has a balcony. The project satisfies this Design Guideline.
- **27. Shade.** The Design Guidelines recommend that canopies, building overhangs and arbors be incorporated into the design of new structures to provide shade. Metal sun shades are provided above project windows on the south and west elevations on the Serrano site and on the south elevation of the Hobart site. The project also includes balconies that project from the building plane providing additional shade. The project satisfies this Design Guideline.
- **28. Building Color.** The Design Guidelines encourage buildings be painted three colors: a dominate color, a subordinate color and a "grace note" color. Exhibit A does not indicate paint colors for the proposed project. The Conditions of Approval will

recommend that the project be painted three colors. As conditioned, the project satisfies this Design Guideline.

## **ENVIRONMENTAL FINDINGS**

The Project was reviewed by the Los Angeles Department of City Planning, Environmental Analysis Unit, which determined that the proposed Project required the preparation of an Environmental Impact Report (EIR). In compliance with Section 15082 of the CEQA Guidelines, a Notice of Preparation (NOP) was prepared by the Department of City Planning and distributed to the State Clearinghouse, Office of Planning and Research, responsible agencies, and other interested parties on March 5, 2012. The Initial Study attached to the NOP identified those environmental topics for which the proposed Project could have adverse environmental effects and concluded that an Environmental Impact Report ("EIR") would need to be prepared to document those effects. The NOP was circulated until April 4, 2012. A copy of the NOP and Initial Study, the NOP distribution list, and responses to the NOP received by the City are included in the City's files. In addition, a public scoping meeting was held on March 14, 2012, to obtain the public's initial views about environmental issues that should be evaluated in the Draft EIR in connection with the proposed Project. The Draft EIR, including analysis of environmental issues raised during the public scoping process, was circulated for review and comment by the public and other interested parties, agencies, and organizations for a period of 45 days, beginning on February 21, 2013 and ending on April 8, 2013.

The Draft EIR evaluated in detail the potential environmental effects of the proposed Project. It also analyzed the effects of a reasonable range of alternatives to the proposed Project, including the potential effects of a "No Project" alternative. Following the close of the public review period, written responses were prepared to the comments received on the Draft EIR. The comments on the Draft EIR and the responses to those comments are included within the Final EIR. The Final EIR was released by the City on August 13, 2013. An Errata to the Final EIR ("First Errata") was released by the City on October 25, 2013, which included minor edits and clarifications associated with changes to the Applicant's discretionary entitlement requests for the Project that were requested by the City to comply with the Department of City Planning's October 24, 2012 memorandum entitled "Implementation of the Multiple Approvals Ordinance -Density Bonus Projects." A second Errata ("Second Errata") to the Final EIR was released on October 9, 2014, to provide additional information and analysis in response to two events that transpired after the Final EIR was published but prior to the certification of the EIR: (1) to address the unanimous decision by the City of Los Angeles Cultural Heritage Commission (CHC) denying an application that requested the CHC declare the residence located at 1601 N. Hobart Boulevard as an Historic-Cultural Monument, and (2) to address the Project's consistency with the 1988 Hollywood Community Plan in response to the City Council's directive pursuant to Zoning Information File (ZI) 2433, dated April 2, 2014. For purposes of these Findings, the term "Final EIR" collectively includes the Draft EIR, the First Errata and the Second Errata.

The documents and other materials that constitute the record of proceedings on which the City of Los Angeles' CEQA findings are based are located at the Department of City Planning, Environmental Review Section, 200 North Main Street, Room 750, Los Angeles, California 90012. This information is provided in compliance with California Public Resources Code Section 21081.6(a)(2).

#### 1. Findings Required Under CEQA

Section 21081 of the California Public Resources Code and Section 15091 of the CEQA Guidelines require a public agency, prior to approving a Project, to identify significant impacts of the Project and make one or more of three possible findings for each of the significant impacts.

- The first possible finding is that "[c]hanges or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR." (State CEQA Guidelines, § 15091, subdivision (a)(1))
- The second possible finding is that "[s]uch changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency." (State CEQA Guidelines, § 15091, subdivision (a)(2))
- The third possible finding is that "[s]pecific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR." (State CEQA Guidelines, § 15091, subdivision (a)(3))

The findings reported below incorporate the facts and discussions of the environmental impacts that are found to have no impact, less than significant, potentially significant, or significant and unavoidable in the Final EIR for the Coronel Apartments Project ("Project") as fully set forth therein. Although Section 15091 of the CEQA Guidelines does not require findings to address environmental impacts that an EIR identifies as "less than significant" or "potentially significant," these findings will nevertheless fully account for all such effects identified in the Final EIR.

# 2. Description of the Proposed Project

## A. Project Description

The Project includes the demolition of four existing two-story apartment buildings (totaling approximately 21,802 square feet) and the retention of two existing one-story bungalow structures (totaling approximately 1,661 square feet after renovation). The two bungalow structures to be retained are currently on the Serrano Property and contain three, 1-bedroom dwelling units which will be relocated on-site to have direct access from the sidewalk along the Serrano Avenue frontage. A new 3- to 4-story apartment building over one level of subterranean parking will be constructed behind the relocated bungalow buildings and will contain 51 new dwelling units. The Project would result in a total of 54 dwelling units on-site with approximately 46,353 square feet of floor area. These units represent a net increase of 24 dwelling units and 22,731 additional square feet as compared to existing conditions. 53 of the proposed units will be reserved for affordable households and one unrestricted unit for the apartment manager. The Project also includes 56 subterranean parking spaces, open space and landscaped areas.

# B. Entitlements Required

 Pursuant to Section 12.22 A.25(g)(2) of the Los Angeles Municipal Code (LAMC), the applicant proposes to set aside 46% of the units for Very Low Income households, 30% of the units for Low Income households, and 22% of the units for Moderate Income households and requests the following one (1) on-menu incentive: Averaging of density, open space, and parking over the entire site and permitting vehicular access from a less restrictive zone to a more restrictive zone.

- 2. Pursuant to Section 12.22 A.25(g)(3) of the LAMC, the applicant requests the following off-menu incentives:
  - A Waiver of Development Regulations to permit more than two lots in Subarea A to be tied together and contain approximately 32,541 square feet of lot area in lieu of the maximum 15,000 square feet of combined lot area permitted by Section 7.A of the SNAP.
  - A Waiver of Development Regulations to permit a building that is approximately 33 feet greater in height than the height of the shortest existing building on an adjacent lot where the maximum increase would otherwise permit a building that is 15 feet greater in height, and to permit rooftop structures to be setback less than 10 feet as otherwise required per Section 7.D of the SNAP. This would permit a maximum building height of 45 feet in lieu of the permitted 27 feet.
  - A Waiver of Development Regulations in Section 7.I of the Specific Plan and Section IV of the Development Standards and Design Guidelines as follows:
    - To permit the required common useable open space to maintain a 15-foot minimum dimension, in lieu of the minimum 20-foot dimension as required per Guideline Section IV.3 of the SNAP.
    - To permit windows facing windows across property lines or facing private outdoor space of other residential units, as prohibited by Guideline Section IV.14 of the SNAP.
  - A Waiver of Development Regulations to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone) as otherwise prohibited by Section 12.21 C.5(h) of the LAMC.
  - A Waiver of Development Regulations to permit a building 45 feet in height in lieu of the 30-foot height maximum permitted in Height District 1XL.
- 3. Pursuant to Section 11.5.7 C of the LAMC, a Specific Plan Project Permit Compliance with the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan, Ordinance 173,749.
- 4. Approval of a haul route.
- 5. Other approvals, ministerial or otherwise, may be necessary, as the City finds appropriate in order to execute and implement the Project.

Other responsible governmental agencies may also serve as responsible agencies for certain discretionary approvals associated with the construction process, which include, but are not limited to the South Coast Air Quality Management District

(construction-related air quality emissions) and the Los Angeles Regional Water Quality Control Board ("LARWQCB") (construction-related water quality). Accordingly, the EIR would be used by the lead and responsible agencies to satisfy CEQA and provide for an informed decision making process.

# 3. Environmental Impacts Found to have no Impact or a Less than Significant Impact in the Initial Study

# A. Agricultural Resources

The California Department of Conservation, Division of Land Protection, lists Prime Farmland, Unique Farmland, and Farmland of Statewide Importance under the general category of "Important Farmland." According to the State Division of Land Resource Protection map, "Important Farmland in California, 2006," the Project Site is not included in the Important Farmland category. The Project Site is zoned for residential uses, is currently developed with residential uses and does not contain any State-designated agricultural lands. No portion of the Project Site is subject to a Williamson Act contract and the development of the Project would not result in the conversion of agricultural land to another use. Therefore, no impact on farmland or agricultural resources would occur as a result of the proposed Project.

# **B. Biological Resources**

The Project Site is currently developed with residential uses, vegetation and paving. Vegetation at the Project Site consists of non-native trees, shrubs and grass within planters and landscaped areas. The Project Site does not contain any undisturbed open space areas, native habitat or natural wildlife corridors capable of supporting sensitive plants or animal species. Furthermore, the Project Site is not located within or near a designated significant ecological resource area. The proposed Project would not conflict with any local policies or ordinances protecting biological resources, or with the provisions of an adopted Habitat Conservation Plan. Therefore, the proposed Project would have a less than significant impact on biological resources.

# C. Geology and Soils

Based on the conclusions of the geotechnical investigation performed for the subject property, the Project Site is not within a currently established Alquist-Priolo Earthquake Fault Zone for surface fault rupture hazards. Additionally, no active or potentially active faults with the potential for surface fault rupture are known to pass directly beneath the Project Site and the potential for surface rupture due to faulting occurring beneath the site during the design life of the proposed development is considered low. Impacts related to ground rupture would therefore be less than significant.

The Project Site is located in the seismically active Southern California region and is susceptible to strong ground shaking during a seismic event. The nearest mapped surface fault rupture of an active fault to the site is the Hollywood Fault located approximately 0.3 mile north of the site. Other nearby active faults include the Raymond Fault, the Verdugo Fault, the Newport-Inglewood Fault Zone and the Santa Monica Fault located 3.9 miles east-northeast, 5.6 miles northeast, 6.4 miles southwest and 7.0 miles southwest of the site, respectively.

The active San Andreas Fault Zone is located approximately 32 miles northeast of the Project Site.

The closest potentially active fault to the site is the MacArthur Park Fault located approximately 0.9 miles south of the site. Other nearby potentially active faults are the Coyote Pass Fault, the Overland Fault, and the Charnock Fault located approximately 7.0 miles southeast, 7.5 miles southwest, and 9.1 miles southwest of the site, respectively.

Potential impacts from seismic ground shaking, due to buried thrust faults, are present throughout Southern California and are inherent risks for anyone residing within the City of Los Angeles. The proposed Project would be required to comply with existing building codes, which would reduce potential seismic risks to an acceptable level. Additionally, the proposed Project would be required to implement all applicable conditions imposed by the City of Los Angeles Bureau of Engineering, Department of Building and Safety, to ensure geotechnical feasibility for the proposed development. Therefore, impacts with respect to seismic ground shaking would be less than significant.

According to the State of California Seismic Hazard Zone, Hollywood Quadrangle Map, the Project Site is not located within an area identified as having a high potential for liquefaction. Based on the dense and well-consolidated nature of the soil underlying the Project Site, appreciable seismically-induced settlements are not expected. Therefore, impacts related to seismic ground failure, including liquefaction, would be less than significant.

During construction, grading would expose soils for a limited time, allowing for possible erosion, although the temporary nature of the soil exposure would not be expected to cause substantial erosion. The Project Site is relatively flat and subterranean excavation would be limited to that necessary for installation of the building foundations, utilities, and subterranean parking level. All grading activities require grading permits from the Department of Building and Safety, which include requirements and standards designed to limit potential impacts to acceptable levels. In addition, all on-site grading and site preparation would comply with all applicable provisions of Chapter IX, Division 70 of the LAMC, which addresses grading, excavation, and fills.

The following regulatory compliance measures are identified to ensure compliance with the existing laws and regulations pertaining to geotechnical safety and to reduce potential impacts related to surface water runoff:

- **A-1:** Excavation and grading activities shall be scheduled during dry weather periods as feasible. If grading occurs during the rainy season (October 15 through April 1), diversion dikes shall be constructed to channel runoff around the site. Channels shall be lined with grass or roughened pavement to reduce runoff velocity.
- A-2: Appropriate erosion control and drainage devices shall be implemented to the satisfaction of the Building and Safety Department. These measures include interceptor terraces, berms, vee-channels, and inlet and outlet structures, as specified by Section 91.7013 of the Building Code, including planting fast-growing annual and perennial grasses in areas where construction is not immediately planned.
- **A-3:** Stockpiles and excavated soil shall be covered with secured tarps or plastic sheeting.

**A-4:** The design and construction of the proposed Project shall comply with all recommendations provided in the geotechnical report. The geotechnical analysis and design measures shall be reviewed and approved by the City of Los Angeles Department of the Building and Safety.

Based on the foregoing and with the implementation of the regulatory compliance measures during Project construction, implementation of the Project would have a less than significant impact with respect to geology and soils.

# D. Hazards / Risk of Upset

A database search of local, State, and Federal regulatory agency lists was performed for the Project Site. Based on the findings presented in the Environmental Site Assessment prepared for the subject property, there are no known sources of contamination, hazardous spills, leaks or unlawful discharges that have the potential to directly affect the Project Site. Impacts associated with exposure to known recognized environmental hazards would therefore be less than significant.

The proposed Project's demolition and construction activities have the potential to expose and release potentially toxic materials including asbestos containing materials ("ACMs"), lead-based paint ("LBP") and polychlorinated biphenyls ("PCBs"). Based on-site specific surveys, sources of ACMs are present in the ceiling materials, linoleum flooring, vents, and roofing mastic. LBP is present in many locations, including but not limited to: doors, door frames, window frames, baseboards, crown molding, mantles, closet shelf supports, kitchen walls, eaves, joists, ceramic tiles, stairways and rails. Further, due to the age of the structures on site, PCBs are presumed to be present on the Project Site in areas such as electrical transformers and fluorescent lighting fixtures with ballast's manufactured prior to 1978. PCBs are toxic environmental contaminants commonly associated with fluids in electrical equipment, including transformers and capacitors.

Construction of the proposed Project would involve the use of solvents and materials that are typically necessary for construction of residential developments (i.e., paints, building materials, cleaners, fuel for construction equipment, etc.). The use of such materials, if not applied in a manner recommended by the manufacturer, or if not properly stored or disposed of, has the potential to result in personal injury or degradation to the environment. The transport, use and disposal of construction-related hazardous materials would occur in conformance with all applicable local, State, and Federal regulations governing such activities. Project contractors are required by law to comply with "Best Management Practices" ("BMPs") set forth by the City and the LARWQCB, which would ensure that wastes generated during the construction process are disposed of properly. Thus, with adherence to all applicable laws and regulations, and as further specified in the regulatory compliance measures identified below, impacts would be reduced to a less than significant level:

- **A-5:** All future renovation, demolition, construction or abatement activities with the potential for disturbing the identified ACM and LBP shall be performed by properly trained and qualified personnel. These activities should be conducted in accordance with all applicable local, State and Federal laws and regulations. The presence of the identified hazardous building materials should be brought to the attention of contractors and personnel involved. Any employees, visitors, or contractors entering this property should be notified of the presence and condition of the asbestos- containing materials and other hazardous materials (including those listed under Proposition 65), in accordance with applicable regulations.
- A-6: Prior to the issuance of the demolition permit, the Applicant shall provide a letter to the Department of Building and Safety from a qualified PCB abatement consultant that no PCBs are present on-site. If PCBs are found to be present, a qualified abatement consultant must abate the site in compliance with the applicable city, State, and Federal rules and regulations.

Based on the foregoing and with the implementation of the regulatory compliance measures during Project construction, implementation of the Project would have a less than significant impact with respect to hazards and risk of upset.

# E. Hydrology and Water Quality

- 1. Flooding. The Project Site is not located within an area designated by the City as a 100-year or 500-year flood hazard area. Further, according to the Federal Emergency Management Agency ("FEMA") the Flood Insurance Rate Map ("FIRM") for the project area indicates that the Project Site is located within Zone X, which is an area determined to be outside the 0.2 percent annual chance floodplain. Based on a review of the Los Angeles County Seismic Safety Element (Leighton, 1990), the City of Los Angeles General Plan (1996), and City of Los Angeles Department of City Planning Environmental and Public Facilities Maps, the Project Site is not located within an inundation boundary. Therefore, the proposed Project would not expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam. Impacts associated with flooding would therefore be less than significant.
- 2. Groundwater. The Geotechnical Engineering investigation indicated that no groundwater was encountered during exploration to a depth of 30.5 feet and the historic high groundwater level is recorded as 80 feet below grade. The proposed Project includes excavation to approximately 15 feet below grade for the subterranean parking level. Thus, development of the subterranean parking would not interfere with the groundwater table or have a substantial effect on groundwater recharge. There are no groundwater wells located on-site and the proposed Project does not involve the withdrawal of groundwater. Therefore, groundwater supplies would not be depleted and no alteration in the amount of groundwater available for public water supplies would be expected from development of the proposed Project. Impacts related to groundwater supplies and recharge would be less than significant.

3. Water Quality. Construction of the proposed Project would require roughly 15,000 cubic yards of soil excavation. The proposed Project's grading and excavation activities would make the Project Site susceptible to erosion (e.g., uncontrolled runoff) during construction, which, if uncontrolled, could impair the quality of surface water runoff entering the storm drains and eventually the ocean. During construction, the Project contractor would be required to prevent the transport of sediments from the Project Site by stormwater runoff and winds through the use of appropriate control technologies. The City of Los Angeles has adopted the regulatory requirements set forth in Ordinance 173,494 of the LAMC. The ordinance incorporates standards from the LARWQCB's Standard Urban Stormwater Mitigation Plan ("SUSMP") to ensure that storm water pollution is addressed by incorporating BMPs in the design phase of development in compliance with the latest National Pollutant Discharge Elimination System ("NPDES") stormwater regulations. Implementation of applicable project design features and compliance with the local, State, and Federal regulations, code requirements and permit provisions would prevent significant impacts related to potentially polluted discharge into surface water.

The Project Site is located in an urbanized area and is developed with multi-family residential land uses. No natural streams or river courses are located in the vicinity of the Project Site. Existing storm water sheet flows into curbs, gutters, and drain inlets of the adjacent public streets and rightsof-way. This runoff then discharges into a City of Los Angeles municipal storm drain system. Operation of the proposed Project would not include industrial discharge to any public water system and, therefore, would not violate any water quality standards or waste discharge requirements. However, typical activities associated with the operation of the proposed residential use have the potential to degrade the quality of water runoff. The leakage of certain chemicals by cars on the parking area and the internal roadway surfaces could have the potential to contribute metals, oil and grease, solvents, phosphates, hydrocarbons, and suspended solids to the storm drain system. As compared to the existing conditions, this potential would be reduced, as the Project proposes to provide on-site parking in a covered underground parking structure that would not be exposed to rainfall. Impacts associated with the quality of surface water runoff would also be reduced since the Project must comply with water quality standards and wastewater discharge BMPs set forth by the City of Los Angeles and the RWQCB. Required design criteria, as established in the SUSMP, would be incorporated into the proposed Project to minimize the off-site conveyance of pollutants. Examples of such design criteria includes installing catch basin and filters at points of discharge to off-site areas, appropriate landscaping design, and covering of trash storage areas to minimize the risk of contaminated surface water runoff. Compliance with existing regulations would reduce the potential for water quality impacts to a less than significant level.

The following regulatory compliance measures are identified to ensure compliance with the existing laws and regulations:

- **A-7:** During construction, the Project Applicant shall implement all applicable and mandatory BMPs in accordance with the SUSMP and City of Los Angeles Stormwater Management Program. These BMPs shall include, but not be limited, to the following:
  - Erosion control procedures shall be implemented for exposed areas.
  - Appropriate dust suppression techniques, such as watering or tarping, shall be used.
  - Construction entrances shall be designed to facilitate the movement of trucks on site that are hauling debris from the site.
  - Truck loads shall be tarped.
- **A-8:** All construction equipment and vehicles shall be inspected for and leaks repaired according to a regular schedule, specified in the Grading Plan approved by the Department of Building and Safety.

Based on the foregoing and with the implementation of the regulatory compliance measures during Project construction, implementation of the Project would have a less than significant impact with respect to water quality.

#### A. Mineral Resources

The Project Site is presently developed with multi-family residential land uses and is not located within an area containing significant mineral deposits. No oil wells presently exist or are known to have previously existed on the Project Site. Therefore, development of the proposed Project would not cause the permanent loss of or access to any locally-important or regionally valuable oil or mineral resources. No impacts to mineral resources would occur.

#### B. Population and Housing

Construction jobs created through implementation of the Project would not be expected to result in substantial population growth in the area. Generally, construction workers remain at a job site only for the time frame in which their specific skills are needed to complete a particular phase of the construction process. Construction jobs vary widely with some lasting a few days, weeks or several months, depending on the trade involved. As such, construction workers typically reside within the region in which they are assigned to work and do not generally relocate for temporary construction assignments. Thus, the construction jobs generated by the proposed Project would not have the potential to induce substantial population or housing growth within the region.

A total of 27 of the 30 units that are currently present on-site will be demolished. The proposed Project would include a total of 54 units, resulting in a net increase of 24 units. Although the existing residential units would be removed, the Project would result in a net increase of affordable housing in the Hollywood Community Plan area. Furthermore, the Project Applicant is offering current residents who meet all affordable housing eligibility criteria, first priority in the tenant selection process for the Project. In addition, the current residents will be eligible for relocation assistance, to be paid by the applicant, pursuant to the provisions of the Rent Stabilization Ordinance, as determined by Los Angeles Housing and Community Investment Department. Therefore, impacts associated with housing displacement would be less than significant.

Based on current demographic data for the Hollywood Community Plan area, the Project would generate approximately 116 permanent residents, resulting in a total of 52 net additional residents. Of the 54 dwelling units proposed, 53 dwelling units will be reserved as restricted affordable units (46% reserved for Very Low Income households, 30% reserved for Low Income households and 22% reserved for Moderate Income households). This increase in affordable housing is consistent with local and regional growth projections and would not result in any significant impacts associated with population or housing growth. Furthermore, the creation of affordable housing units is considered a beneficial impact with respect to the housing-related goals and objectives of the City's Housing Element and the Regional Housing Needs Assessment ("RHNA"). Therefore, impacts on population and housing would be beneficial and less than significant.

# C. Public Services

1. Fire Protection. The City of Los Angeles Fire Department ("LAFD") provides fire protection and emergency response services to the Project Site and surrounding area. LAFD Fire Station #82, located at 1800 North Bronson, located approximately 0.9 miles northwest of the Project Site is the closest fire station serving the Project Site. The Project Site is within the recommended response distance of 1.5 miles or less to Station #82, therefore no impact related to response time or distance is anticipated.

The adequacy of fire protection is also based upon the required fire flow. The quantity of water necessary for fire protection varies with the type of development, occupancy rates, life hazard, and the degree of fire hazard. The proposed Project would require a fire flow of 4,000 gpm from four adjacent fire hydrants flowing simultaneously. A minimum residual water pressure of 20 pounds per square inch ("PSI") is to remain in the water system while the required gpm is flowing. The Los Angeles Department of Water and Power ("LADWP") is anticipated to be able to meet the water demand for fire protection for the proposed Project, as it is already serving the site and surrounding area. Should it be determined that the existing fire flow is unable to accommodate the estimated fire flow requirements of the proposed Project, the Applicant will be required to make arrangements with LADWP for the development of additional facilities. Furthermore, the proposed Project is subject to review by the LAFD and would incorporate any recommendations into the proposed Project. With implementation of the regulatory compliance measures below, impacts related to fire protection services would be less than significant.

The following regulatory compliance measures are identified to ensure compliance with the existing laws and regulations:

A-9: The project developer shall submit a plot plan to the Los Angeles Fire Department prior to occupancy of the project for review and approval, which shall indicate access road and turning areas, and shall provide the capacity of the fire mains serving the Project Site. Any required upgrades shall be identified and implemented prior to occupancy of the proposed Project.

- **A-10:** The proposed Project shall comply with all fire code and ordinance requirements for building construction, emergency access, water mains, fire flows, and hydrant placement. Prior to issuance of a certificate of occupancy for any phase of the proposed Project, the project developer shall implement all fire code and ordinance requirements to the satisfaction of the Los Angeles Fire Department.
- **A-11:** The Proposed Project shall be designed and constructed in compliance with the following conditions to the satisfaction of the LAFD:
  - During demolition, the Fire Department access shall remain clear and unobstructed.
  - The entrance or exit of all ground dwelling units shall not be more than 150 feet from the edge of a roadway of an improved street, access road, or designated fire lane. Where above ground floors are used for residential purposes, the access requirement shall be interpreted as being the horizontal travel distance from the street, driveway, alley, or designated fire lane to the main entrance of individual units.
  - Entrance to the main lobby shall be located off the address side of the building.
  - Any required Fire Annunciator panel or Fire Control Room shall be located within 50 ft. visual line of site of the main entrance stairwell or to the satisfaction of the Fire Department.
  - Building designs for multi-storied residential buildings shall incorporate at least one access stairwell off the main lobby of the building; But, in no case greater than 150 feet horizontal travel distance from the edge of the public street, private street or Fire Lane. This stairwell shall extend unto the roof.
  - Access for Fire Department apparatus and personnel to and into all structures shall be required.
  - The width of private roadways for general access use and fire lanes shall not be less than 20 feet, and the fire lane must be clear to the sky.
  - No proposed development utilizing cluster, group, or condominium design of one or two family dwellings shall be more than 150 feet from the edge of the roadway of an improved street, access road, or designated fire lane.
  - No building or portion of a building shall be constructed more than 150 feet from the edge of a roadway of an improved street, access road, or designated fire lane.
  - Where access for a given development requires accommodation of Fire Department apparatus, overhead clearance shall not be less than 14 feet.
  - The Fire Department may require additional vehicular access where buildings exceed 28 feet in height.
  - Where fire apparatus will be driven onto the road level surface of the subterranean parking structure, that structure shall be engineered to withstand a bearing pressure of 8,600 pounds per square foot.
  - No framing shall be allowed until the roadway is installed to the satisfaction of the Fire Department.

- Any required fire hydrants to be installed shall be fully operational and accepted by the Fire Department prior to any building construction.
- Electric Gates approved by the Fire Department shall be tested by the Fire Department prior to Building and Safety granting a Certificate of Occupancy.
- Where rescue window access is required, provide conditions and improvements necessary to meet accessibility standards as determined by the Los Angeles Fire Department.
- Site plans shall include all overhead utility lines adjacent to the site
- Any roof elevation changes in excess of 3 feet may require the installation of ships ladders.

Based on the foregoing and with the implementation of the regulatory compliance measures, the Project would have a less than significant impact with respect to fire protection.

2. Police. The LAPD does not have a specific officer-to-population standard, instead deployment levels are based on a needs assessment done by each reporting district. Using a ratio of 1.0 officer per 1,000 residents, the addition of 24 dwelling units and 52 new permanent residents would not require the hiring of additional officers, nor would the proposed Project be expected to impact police response times. Further, during construction of the proposed Project, fencing around the Project Site and additional securing measures would be provided to ensure public safety. Implementation of the regulatory compliance measures below would ensure that impacts related to police protection services would be less than significant.

The following regulatory compliance measures are identified to ensure compliance with the existing laws and regulations:

- **A-12:** The Project Applicant shall observe Crime Prevention Through Environmental Design guidelines in the security features of the development.
- **A-13:** The project developer shall fence in the Project Site and provide additional security as necessary during the construction phase of the proposed Project.

Based on the foregoing, and with the implementation of the regulatory compliance measures, the Project would have a less than significant impact with respect to police protection.

3. Schools. The proposed Project has the potential to generate a slight increase in demand for school facilities. Based upon the Los Angeles Unified School District ("LAUSD") student generation factors, the proposed Project's net increase of 24 dwelling units would generate approximately 7 students (3 elementary, 2 middle school, and 2 high school). To address school capacity impacts due to population growth, the governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district for the purpose of funding the construction or reconstruction of facilities (pursuant to California Education Code Section 17620(a)(1)). The School Facilities Fee Plan for LAUSD has been prepared to support the school district's levy of the fees authorized by the California Education Code. With implementation of the regulatory compliance measure below, impacts on schools would be less than significant.

The following regulatory compliance measure is identified to ensure compliance with the existing laws and regulations:

**A-14.** The applicant shall pay all applicable school fees to the Los Angeles Unified School District to offset the impact of additional student enrollment at schools serving the project area.

Based on the foregoing, and with the implementation of the regulatory compliance measures, the Project would have a less than significant impact with respect to schools.

4. Other Facilities (Libraries). The Los Angeles Public Library ("LAPL") provides library services to the City of Los Angeles which consists of the Central Library and 71 branch libraries. There are three Branch Libraries and one Regional Branch Library located within 2 miles of the Project Site including the Frances Howard Goldwin Regional library, the Los Feliz Branch, the Cahuenga Branch and the Wilshire Branch.

In February 2007 the Board of Library Commissioners adopted an updated Branch Facilities Plan that included a total of 19 library projects, including eight new Branch Libraries throughout the City, none of which are within the Hollywood Community Plan Area. The 52 net additional residents associated with the proposed Project are within the anticipated growth projections for the Hollywood Community Plan Area and thus would not pose a significant increase in the demand for Library services. Therefore, impacts on library services would be less than significant. Accordingly, no further analysis of this issue is required.

#### D. Recreation and Parks

The proposed Project would result in a net increase of 24 additional dwelling units and generate an estimated 52 new permanent residents, which could result in increased demand for park facilities in the project area. The proposed Project is required to provide 7,350 square feet of open space however, the Project will

provide 7,372 square feet of open space in the form of outdoor common areas, a recreation room and private balconies. There will also be additional outdoor areas usable for passive recreation although not included in the open space calculation for purposes of the LAMC. The provision of on-site open space, in part, serves to offset or reduce demands for public recreation and parkland facilities in the surrounding area. However, the projected 52 new residents would still increase demands for public parkland and recreational facilities in the vicinity of the Project Site.

To address increased demands for public park and recreation facilities within the City that is generated by new residential development, LAMC Section 21.10.3(a)(1) imposes a Dwelling Unit Construction Tax of \$200 per dwelling unit on all newly constructed dwelling units and modification of existing dwelling units. This tax applies to all dwelling units and is separate from the Quimby Fee that applies to residential subdivisions. The Dwelling Unit Construction Tax is required to be paid to the Department of Building and Safety and, pursuant to the provisions of the LAMC, shall be placed into a "Park and Recreational Sites and Facilities Fund" to be used exclusively for the acquisition and development of park and recreational sites. The proposed Project's increase in demand upon park and recreation facilities would be offset by the outdoor open space and common area amenities provided on-site and through payment of the required fees to the City's Recreation Sites and Facilities Fund, therefore impacts related to parks and recreational facilities would be less than significant.

# E. Transportation and Traffic

A Traffic Impact Assessment for the proposed Project was prepared by Arthur L. Kassan, P.E., dated May 28, 2010, and is included as Appendix G to the EIR. For purposes of assessing the proposed Project's net increase in trip generation, the potential trip generation volumes of the proposed Project were estimated and compared to the volumes of trips related to the existing apartments on the Project site. The estimates are based on trip rates published by the Institute of Transportation Engineers ("ITE") in Trip Generation, 8th Edition, 2008. consideration of the location of the Project Site and the existing transit service, the trip estimates were adjusted to reflect probable transit use. The Metro Rail Red Line station at Hollywood Boulevard and Western Avenue is approximately 1,200 feet from the Project Site. Additionally, the Project Site is served by transit bus service on both Sunset Boulevard and Hollywood Boulevard. Trip reductions of 10% were applied to both the proposed and existing residential development Therefore, the Traffic Impact Assessment concluded that the estimates. proposed Project would result in a total of 143 additional net new daily trips, with a net increase of eleven (11) peak a.m. and thirteen (13) peak p.m. trips. The Department of Transportation ("LADOT") thresholds for requiring a Traffic Impact Study are increases of 500 trips in 24 hours or 43 trips per hour during the peak hours, neither of which were met by the proposed project. memorandum confirming that a Traffic Impact Study is not required for the Project is also included in Appendix G to the EIR. As such, and based on LADOT criteria, the proposed Project's potential traffic impacts would be less than significant.

# F. Utilities and Service Systems

 Water. Water is currently supplied to the Project area by the LADWP for domestic uses, fire protection services, as well as recycled water for irrigation and industrial uses in conjunction with the Department of Public Works.

For planning purposes, the LADWP generally forecasts water demand based on population trends and average per capita uses. In its recent 2010 Urban Water Management Plan, the LADWP estimated that the average unit use rate for multi-family dwelling units is 224 gallons per unit per day.

The proposed Project would include a total of 54 units, resulting in a net increase of 24 units. The estimated baseline unit water demand for the proposed Project would be approximately 12,096 gpd. However, this base rate estimate does not account for active water conservation measures. Pursuant to the City of LA Ordinance No. 181,480 ("Green Building Code"), the proposed Project would be required to provide a schedule of plumbing fixtures and fixture fittings that will reduce the overall use of potable water within the building by at least 20 percent; and, provide irrigation design and controllers that automatically adjust irrigation in response to changes in plants' needs as weather conditions change. As such, compliance with the Green Building Code would further reduce the proposed Project's future water demand to approximately 9,677 gpd. When factoring in the Project Site's current estimated water use of 4,928 gpd, the estimated net water demand generated by the proposed Project would be approximately 4,749 gpd higher than the Project Site's current usage.

Through the 2010 Urban Water Management Plan, the LADWP has demonstrated that it can provide adequate water supplies for the City through the year 2035. This estimate is based in part on demographic projections obtained for the LADWP service area from the Metropolitan Water District (MWD). The MWD utilizes a land-use based planning tool that allocates projected demographic data from the Southern California Association of Governments ("SCAG") into water service areas for each of MWD's member agencies. MWD's demographic projections use data reported in SCAG's 2008 Regional Transportation Plan ("RTP"). The proposed Project would be consistent with the regional and local population and housing growth projections, specifically with respect to affordable housing targets. As such, the additional water demand generated by the Project is accounted for in the 2010 Water Management Plan and impacts associated with increased water demand would be less than significant.

2. Wastewater. The City of Los Angeles Department of Public Works, Bureau of Sanitation provides sewer conveyance infrastructure and wastewater treatment services for the Project Site. The Hyperion Treatment Plant ("HTP"), located southwest of the Los Angeles International Airport in Playa Del Rey, provides treatment capacity for all wastewater flows generated within the Project Area. HTP currently has the capacity to treat approximately 450 million gallons per day ("gpd") of wastewater and currently processes average wastewater flows of approximately 375 mgd.

For purposes of estimating the proposed Project's net increase in sewer flows, the future projected sewer flows were projected based on the City of Los Angeles, L.A. CEQA Thresholds Guide, 2006, Exhibit M.2-12, Sewage Generation Factors. The proposed Project's 54 dwelling units are anticipated to generate approximately 8,880 gpd of wastewater, which would result in net increase of 5,360 gpd of wastewater over the Project Site's current wastewater flows. However, further detailed gauging and evaluation will be needed as part of the building permit process to identify a specific sewer connection point. If it is determined that the sewer system has insufficient capacity to serve the proposed Project, the developer may be required to replace or build new sewer lines to a point in the sewer system with sufficient capacity to accommodate the Project's increased flows Any infrastructure improvements to update or expand the sewer lines in the project vicinity, if necessary, would be part of a larger capital improvements project initiated by the Bureau of Sanitation and would be limited to trenching, excavating and backfilling the sewer lines beneath the Such construction activities would be localized in public right-of way. nature and would generally involve partial lane closures for a relatively short duration of time typically lasting a few days to a few weeks. Therefore, impacts to sewer capacity and infrastructure would be less than significant.

Wastewater generated by the proposed Project would be treated at the HTP. The HTP has a design capacity of approximately 450 million gpd and currently treats an average of approximately 362 million gpd to primary and secondary treatment standards. Thus, the HTP has a remaining capacity of approximately 88 million gpd and has sufficient remaining capacity to treat the 5,360 gpd net increase in wastewater estimated to be generated by the proposed Project. Therefore, the proposed Project would not require or result in the construction of new or expanded wastewater treatment facilities, and related impacts would be less than significant.

Based on the foregoing, the proposed Project's potential impacts to wastewater would be less than significant.

3. Solid Waste. Within the City of Los Angeles, solid waste management, including collection and disposal services and landfill operation, is administered by various public agencies and private companies. Single-family and limited multi-family residential refuse is collected by the City of Los Angeles Bureau of Sanitation, whereas waste generated by most multi-family residential sources and all commercial/industrial sources is collected by private contractors. Waste disposal sites are operated by both the City and County of Los Angeles, as well as by private companies. Solid waste generated at the Project Site is likely to be disposed of at the Sunshine Canyon Landfill and/or the Chiquita Canyon Landfill. These landfills accept residential, commercial, and construction waste.

The existing Project Site is developed with 30 dwelling units totaling approximately 23,622 square feet of developed floor area. Construction of the proposed Project would require the demolition of approximately 21,802 square feet of existing uses. The remaining 1,820 square feet would be relocated and rehabilitated on the western frontage of the Project Site. Pursuant to City's Green Building Ordinance, construction debris material would be recycled and salvaged to the maximum extent feasible. Demolition debris and soil materials from the site that cannot be recycled or diverted would likely be hauled to the Sunshine Canyon which is permitted to intake a maximum of 21,100 tons per day or Chiquita Canyon landfill which is permitted to intake a maximum of 6,000 tons per day. These landfills have sufficient remaining capacity to accommodate the proposed Project's construction disposal needs. The Sunshine Canyon landfill is approximately 20 miles north of the Project Site. The Chiquita Canyon landfill is approximately 34 miles to the north of the Project Site. For recycling efforts, the Central LA Recycling Center and Transfer Station (Browning Ferris Industries) accepts construction waste for recycling and is located approximately 10 miles from the Project Site. By recycling most of the solid waste generated by construction of the proposed Project, shortterm construction impacts on landfills would be greatly reduced. Any impacts associated with construction debris would be less than significant.

Operation of the proposed Project is anticipated to generate a net increase of 128 pounds per day of solid waste over existing uses, before recycling The net increase in operational solid waste is based on a standard solid waste generation rate of 4 pounds per unit, less the existing solid waste generated by the 22 occupied units. Implementation of the proposed Project would result in a negligible increase in solid waste on a regional scale. Solid waste generated on site would be disposed of in accordance with all applicable federal, state, and local regulations related to solid waste as described above. Other than typical products utilized in residential and commercial uses and for cleaning, the proposed Project would not store, transport or dispose of hazardous waste materials. Further, operations on the Project Site would continue to be subject to requirements set forth in AB 939 requiring each city and county to divert 50 percent of its solid waste from landfill disposal through source reduction. recycling, and composting. Additionally, as required by the California Solid Waste Reuse and Recycling Access Act of 1991, the applicant would be required to provide adequate storage areas for the collection and storage of recyclable waste materials. As described above, the receiving landfills have sufficient remaining capacity to accommodate the proposed Project's operational solid waste disposal needs. Therefore, the proposed Project's increased demands upon solid waste landfill facilities would be less than significant.

4. Environmental Impacts Analyzed in the EIR and Found to be Less Than Significant For the discussion below, the EIR, First Errata and Second Errata, are incorporated herein by reference.

#### A. Aesthetics

- 1. Aesthetics. The scale and massing of the proposed Project would be substantially consistent with the existing urban form along Hobart Boulevard and Serrano Avenue. The two proposed apartment buildings are separated by a ground floor open space courtyard and are oriented towards Serrano Avenue and Hobart Boulevard to appear as two distinct properties with one contiguous subterranean parking level. Each building is designed to reflect the unique architectural style of the respective street frontages along Serrano Avenue and Hobart Boulevard. On Hobart Boulevard, the proposed three- to four-story Hobart Building is set back 25 feet from the front property line. The setback is consistent with the existing setbacks of the adjacent multi-family residential buildings along Hobart Boulevard. The Hobart Building would have a height of 45 feet above grade, which is consistent in scale with the neighboring property to the south (44 feet above grade) and the north (31 feet above grade). On Serrano Avenue, the two existing one-story bungalow structures that are proposed to be retained will be relocated to the front of the lot and set back approximately eight feet from the property line along Serrano Avenue. The three- to four-story Serrano Building is set back approximately 49 feet from the property line. As viewed from the Serrano Avenue street frontage, the two relocated onestory bungalows would be prominently visible from the pedestrian and street view perspective on Serrano Avenue, and, as such, would be visually compatible with the height, scale and massing of the units of the southerly adjacent parcel. Accordingly, potential aesthetic impacts of the proposed Project would be less than significant and no mitigation is required.
- 2. Obstruction of Views. From the pedestrian vantage point at ground level, existing public views of or across the Project Site do not contain any unique scenic views or vistas. The Project Site is currently developed with structures that are approximately 25 feet above grade. As such, views through or across the Project Site at ground level are blocked by existing structures. Views of the Hollywood Hills are largely available to the north when looking directly north from the centerline of the adjacent streets. These views would be unobstructed by the proposed Project.

The proposed Project would increase existing building heights on the Project Site from approximately 25 feet to 45 feet above grade. As a result, the proposed Project would have the potential to block views from certain windows in the adjacent buildings on Hobart Boulevard that currently overlook the Project Site. However, these views are private views and are not protected by a view protection ordinance. Therefore, the obstruction of any private views would not be considered a significant impact. Furthermore, the adjacent structures on Serrano Avenue to the south are one-story structures and do not currently provide any views over the Project Site. The northerly adjacent building on Serrano Avenue is a two-story structure and southerly views are currently blocked by the existing two-story apartment buildings located on the Project Site. Therefore, no private views would be impacted by the proposed Project along Serrano Avenue. Accordingly, the proposed Project would result in less than significant impacts related to the obstruction of views and no mitigation is required.

3. Light and Glare. The proposed Project would provide similar levels of street lighting in comparison to the existing uses. Lighting for the proposed Project would include low-level exterior security lighting located throughout the Project Site. All exterior lighting would be shielded and directed onto the Project Site and away from adjacent uses. Indoor lighting would also contribute to nighttime illumination, though the proposed conditions would be similar to that of the current land uses on the Project Site and the adjacent multi-family uses in the surrounding neighborhood. As such, impacts related to lighting and nighttime illumination would be less than significant.

Existing sources of glare from the Project Site include the reflection of sunlight off of vehicle windshields parked on the Project Site and reflection off of the existing buildings and windows. The proposed buildings would be made of low reflectivity materials pursuant to City requirements. In addition, the proposed Project's subterranean parking garage would eliminate the potential for daytime glare and reflectivity from windshields of vehicles parked on site. Thus, the proposed Project would not create unusual or isolated glare impacts. In addition, the building materials would predominantly consist of stucco, wood, and painted steel or metal. Any glass to be incorporated into the facades of the building would be low-reflectivity or accompanied by a non-glare coating where applicable. Thus, the proposed Project would not result in new sources of substantial glare. As such, impacts associated with glare would be less than significant and no mitigation is required.

4. Shade-Shadow Impacts. The winter solstice shadows created by the existing structures on the Project Site shade the adjacent property to the north continuously from 9:00 a.m. to 3:00 p.m. On the Serrano Avenue frontage the adjacent property to the north is developed with two two-story apartment buildings with a backyard consisting of a concrete paved parking lot. This parking lot is the only area of the property that receives continuous sunlight between the hours of 9:00 a.m. and 3:00 p.m. However, because of its use as a surface parking lot, it is not considered a shade and shadow sensitive use. The remaining outdoor spaces on this property are entirely shaded by the existing shadow patterns, and, as such, do not support any functions that are dependent upon continuous exposure to direct sunlight during the winter months. The proposed Project would increase the existing shadow patterns by extending the shadows further to the north. The proposed Project would not, however, create new shading that would result in more than three hours of consecutive shading on a sensitive use during the winter hours of 9:00 a.m. to 3:00 p.m.

On the Hobart Boulevard frontage, the adjacent property to the north is developed with a three-story multi-family residential building with south facing windows and balconies and a 5-foot side yard setback. Due to this configuration the south facing façade of the adjacent building is shaded continuously from 9:00 a.m. to 3:00 p.m. by the existing structures on the Project Site. Based on the current amount of shading the adjacent apartment building experiences, it is not considered a shadow sensitive land use. The proposed Project would increase the existing shadow

patterns by extending the shadows further to the north. However, the proposed Project would not create new shading that would result in more than three hours of consecutive shading on a sensitive use during the winter hours of 9:00 a.m. to 3:00 p.m. Based on the foregoing, potential impacts with respect to winter shadows would be less than significant and no mitigation is required.

The summer shadows created by the proposed Project would not shade any portion of the residential uses north of the Project Site until after 2:00 p.m. Furthermore, the areas shaded after 2:00 p.m. by the proposed Project would mostly consist of the southwestern façade of an existing residential building containing no existing useable outdoor areas. Thus, the proposed Project would not cast shadows on any shade sensitive uses for four or more consecutive hours between 9:00 a.m. and 5:00 p.m. during the summer. Therefore, potential impacts with respect to summer shadows would be less than significant and no mitigation is required.

5. Cumulative Impacts. Related projects located within the viewshed of the Project Site would have the ability to cumulatively affect the aesthetic character of the neighborhood. There are no related projects along Serrano Avenue or Hobart Boulevard between Sunset Boulevard and Hollywood Boulevard. Therefore, no known related projects are located within proximity to the Project Site such that they would have the potential to create cumulative aesthetic impacts, light and glare, or shading effects upon other buildings or land uses. Therefore, the proposed Project's cumulative aesthetic, light and glare or shade and shadow impacts would not be cumulatively considerable and cumulative impacts would be less than significant. Accordingly, no mitigation is required.

# B. Air Quality

1. Air Quality Management Plan ("AQMP") Consistency. The AQMP consistency analysis evaluates the two criteria for consistency with regional plans and the regional AQMP adopted by the South Coast Air Quality Management District ("SCAQMD"): 1) Will the Project increase the frequency or severity of existing air quality violations or cause or contribute to new air quality violations? and 2) Will the Project exceed the assumptions utilized in preparing the AQMP?

According to the SCAQMD CEQA Air Quality Handbook, the consistency criteria for the first criterion pertain to pollutant concentrations. As such, an analysis of the proposed Project's pollutant emissions relative to localized pollutant concentrations is used as the basis for evaluating Project consistency with the first criterion. The SCAQMD's localized thresholds for NOx, CO, PM10, and PM2.5 would not be exceeded during proposed Project construction. In addition, during operations, the proposed Project would not have the potential to cause or contribute to a localized CO hotspot at local intersections. Furthermore, because none of the criteria pollutant emissions would exceed the SCAQMD's significance thresholds, the proposed Project meets the first criterion for determining project consistency with the 2007 AQMP. Impacts would be less than significant and no mitigation is required.

With regard to the second criterion, projects that are consistent with the regional population, housing, and employment forecasts identified by SCAG are considered to be consistent with the AQMP growth projections because the forecast assumptions by SCAG forms the basis of the land use and transportation control portions of the AQMP. The proposed Project would have a less than significant impact with respect to population, housing, and employment that would be introduced at the Project Site. The proposed increase in population and housing from implementation of the proposed Project would be consistent with the SCAG growth projections. Because the proposed Project would be consistent with the underlying assumptions of the SCAQMD's 2007 AQMP and does not cause or worsen an exceedance of an ambient air quality standard, the proposed Project is consistent with the AQMP. Therefore, potential impacts would be less than significant and no mitigation is required.

2. Consistency with General Plan Air Quality Standards. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR. A detailed analysis of the consistency of the proposed Project with relevant policies in the City's General Plan Air Quality Element is presented in EIR Table IV.C-8. With the incorporation of mitigation, the proposed Project would be consistent with the goals, objectives, and policies set forth in the City's General Plan Air Quality Element.

The LAMC sets forth certain requirements related to air quality for all projects completed within the City. The regulatory compliance measures provided below will mitigate any impacts before they occur. With the implementation of the following measures, potential impacts related to consistency with General Plan air quality standards would be mitigated to a less than significant level:

**C-1:** The Project applicant shall include in construction contracts the regulatory compliance measures required and/or recommended by the SCAQMD at the time of development, including but not limited to the following:

Rule 403 - Fugitive Dust

- Use watering to control dust generation during demolition of structures or break-up of pavement;
- Water active grading/excavation sites and unpaved surfaces at least three times daily;
- Cover stockpiles with tarps or apply non-toxic chemical soil binders;
- Limit vehicle speed on unpaved roads to 15 miles per hour;
- Sweep daily (with water sweepers) all paved construction parking areas and staging areas;
- Provide daily clean-up of mud and dirt carried onto paved streets from the Project Site;
- Suspend excavation and grading activity when winds (instantaneous gusts) exceed 15 miles per hour over a 30-minute period or more; and

- An information sign shall be posted at the entrance to each construction site that identifies the permitted construction hours and provides a telephone number to call and receive information about the construction project or to report complaints regarding excessive fugitive dust generation. Any reasonable complaints shall be rectified within 24 hours of their receipt.
- **C-2:** The Project shall meet the requirements of the City's Green Building Code. Specifically, as the Project would be considered "low-rise" per the City's Green Building Code, the Project shall:
  - Be designed to meet Title 24, 2008 Standards;
  - Reduce potable water consumption by 20% through the use of low-flow water fixtures:
  - All residential grade equipment and appliances provided and installed shall be ENERGY STAR labeled if ENERGY STAR is applicable to that equipment or appliance.
- 3. Regional Construction Air Quality Impacts. Regional air quality impacts associated with Project related construction emissions would be less than significant. An analysis of regional daily construction emissions for the proposed Project was prepared utilizing the CalEEMod emissions model. Table IV.C-9, Estimated Peak Daily Construction Emissions, of the EIR identifies daily emissions that are estimated to occur on the peak construction day for each of the construction phases, although construction time frames and day-to-day construction activities may vary. Based on the implementation of the requirements under Regulatory Compliance Measure C-1 (discussed above), these calculations assume that appropriate dust control measures would be implemented as part of the proposed Project during each phase of development, as specified by SCAQMD Rule 403 (Fugitive Dust). The construction air quality analysis concludes that peak daily emissions generated during the construction of the proposed Project would not exceed the regional emission thresholds recommended by the SCAQMD. Therefore, regional air quality impacts associated with Projectrelated construction emissions would be considered less than significant and no mitigation is required however, regulatory compliance measures C-1 and C-2 shown above in the Air Quality section of these Findings and in the EIR would be applicable and were considered in the construction emission calculations.

4. Localized Construction Daily Impacts. On-site emissions generated by the proposed Project would not exceed the established SCAQMD localized thresholds. The daily on-site construction emissions generated by the proposed Project were analyzed against the SCAQMD's localized significance thresholds to determine whether the emissions would cause or contribute to adverse localized air quality resulting in impacts to sensitive receptors. The area surrounding the Project Site is mostly populated with a mix of multi-family housing, all of which would be considered off-site sensitive air quality receptors. In addition to sensitive receptors, additional off-site receptors evaluated in the EIR's localized air quality impacts analysis include all existing surrounding uses because LSTs based on shorter averaging periods, such as NO2 and CO, should be applied to receptors such as industrial or commercial facilities based on the SCAQMD's recommendation. Based on the implementation of the requirements under regulatory compliance measure C-1 (discussed above), these calculations assume that appropriate dust control measures would be implemented as part of the proposed Project during each phase of development, as specified by SCAQMD Rule 403 (Fugitive Dust).

The closest receptor distance provided in the SCAQMD's Mass Rate LST Look-up Tables is 82 feet (25 meters). Although some of the off-site receptors nearest to the Project Site are closer than 82 feet, the SCAQMD's LST methodology states that projects with boundaries located closer than 82 feet (25 meters) from the nearest receptor should use the LSTs for receptors located at 82 feet. As shown in EIR Table IV.C-10, Localized On-Site Peak Daily Construction Emissions, on-site emissions generated by the proposed Project would not exceed the established SCAQMD localized thresholds for these receptors. Therefore, impacts will be less than significant and no mitigation is required, however, regulatory compliance measures C-1 and C-2 shown above in the Air Quality section of these Findings and in the EIR would be applicable and were considered in the emission calculations.

5. Regional Operational Emissions. The operational emissions associated with the proposed Project would not exceed the established SCAQMD threshold levels during the summertime (smog season) or wintertime (nonsmog season). Operational emissions generated by both stationary and mobile sources would result from normal day-today activities on the Project Site after occupancy. Emissions would be generated by motor vehicles traveling to and from the Project Site, energy use, architectural coatings (paint reapplication once every ten years) consumer products, and the operation of landscape maintenance equipment. The analysis of daily operational emissions from the proposed Project was prepared utilizing CalEEMod. The results of these calculations, and associated SCAQMD thresholds, are presented in Table IV.C-11, Estimated Daily Operational Emissions, of the EIR. The calculations assume the implementation of the City's required Green Building Code. As shown in Table IV.C-11 of the EIR, the operational emissions associated with the proposed Project would not exceed the established SCAQMD threshold levels during the summertime (smog season) or wintertime (non-smog season). Therefore, impacts associated with regional operational emissions from the proposed Project would be less than significant, and no mitigation is required, however, regulatory compliance measure C-2 shown above in the Air

Quality section of these Findings and in the EIR would be applicable and was considered in the operational emission calculations.

- Localized Operational CO Impacts. The proposed Project would not have 6. the potential to cause or contribute to an exceedance of the California onehour or eight-hour CO standards at any local intersection. The SCAQMD suggests conducting a CO hotspots analysis for any intersection where a project would worsen the Level of Service ("LOS") to any level below C, and for any intersection rated D or worse where the project would increase the V/C ratio by two percent or more. Based on a trip generation assessment prepared for the proposed Project (see Appendix G to the EIR), the proposed Project would generate a net increase of eleven a.m. and thirteen p.m. peak hour trips compared to existing conditions on the Project Site. Further, the trip generation assessment determined that there is no potential for significant traffic impacts based on applicable LADOT criteria. As such, the proposed Project would not have the potential to cause or contribute to an exceedance of the California one-hour or eight-hour CO standards of 20 or 9.0 ppm, respectively; or generate an incremental increase equal to or greater than 1.0 ppm for the California one-hour CO standard, or 0.45 ppm for the eight-hour CO standard at any local Accordingly, impacts with respect to localized CO intersection. concentrations would be less than significant and no mitigation is required.
- 7. TAC Impacts. Impacts associated with the release of toxic air contaminants (TAC) would be less than significant. The proposed Project would not include the operation of any land uses routinely involving the use, storage, or processing of carcinogenic or non-carcinogenic toxic air contaminants. Thus, no appreciable operational-related toxic airborne emissions would result from implementation of the proposed Project. With respect to construction, the construction activities associated with the proposed Project would be typical of other similar residential developments in the City, and would be subject to the regulations and laws relating to toxic air pollutants at the regional, state, and federal level that would protect sensitive receptors from substantial concentrations of these emissions. Therefore, impacts associated with the release of toxic air contaminants would be less than significant, and no mitigation is required.
- 8. Odor Impacts. The proposed Project does not include any of the uses identified by the SCAQMD as being associated with odors and does not include any of the uses identified by the SCAQMD as being associated with odors. In addition, SCAQMD Rule 402 (Nuisance), and SCAQMD Best Available Control Technology Guidelines would limit potential objectionable odor impacts during the proposed Project's long-term operations phase.

Potential sources that may emit odors during construction activities include the use of architectural coatings and solvents as well as asphalt paving. SCAQMD Rules 1108 and 1113 limit the amount of volatile organic compounds from cutback asphalt and architectural coatings and solvents, respectively. Based on mandatory compliance with SCAQMD Rules, no construction activities or materials that would create a significant level of objectionable odors are proposed.

The proposed Project would not create objectionable odors affecting a substantial number of people during construction or long-term operation. Therefore, a less than significant impact would occur with respect to the creation of objectionable odors and no mitigation is required.

9. Cumulative Impacts. Cumulative development can affect implementation of the 2007 AQMP. The 2007 AQMP was prepared to accommodate growth, reduce pollutants within the areas under SCAQMD jurisdiction, improve the overall air quality of the region, and minimize the impact on the economy. Growth considered to be consistent with the 2007 AQMP would not interfere with attainment because this growth is included in the projections utilized in the formulation of the AQMP. Consequently, as long as growth in the Basin is within the projections for growth identified by SCAG, implementation of the 2007 AQMP will not be obstructed by such growth and cumulative impacts would be less than significant. Since the proposed Project is consistent with SCAG's growth projections, it would not have a cumulatively considerable contribution to an impact regarding a potential conflict with or obstruction to the implementation of the applicable air quality Thus, cumulative impacts related to conformance with the 2007 AQMP would be less than significant and no mitigation is required.

Because the Basin is currently in non-attainment for O<sub>3</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub>, cumulative development could violate an air quality standard or contribute to an existing or projected air quality violation. According to the SCAQMD, individual construction projects that exceed the SCAQMD recommended daily thresholds for project-specific impacts would cause a cumulatively considerable increase in emissions for those pollutants for which the Basin is in non-attainment. As discussed previously, construction emissions associated with the proposed Project would not exceed the SCAQMD's regional or localized thresholds of significance for any criteria pollutants. Therefore, the cumulative impact of the proposed Project for construction emissions would be considered less than significant and no mitigation is required.

With respect to TACs, the greatest potential for TAC emissions at related projects would involve diesel particulate emissions associated with heavy equipment. The construction activities associated with the proposed Project and related projects would be similar to other development projects in the City, and would be subject to the regulations and laws relating to toxic air pollutants at the regional, state, and federal level that would protect sensitive receptors from substantial concentrations of these emissions. Thus, cumulative TAC emissions from the proposed Project and related projects would be considered less than significant and no mitigation is required.

With regard to odors, SCAQMD Rules 1108 and 1113 limit the amount of volatile organic compounds from cutback asphalt and architectural coatings and solvents, respectively. Based on mandatory compliance with SCAQMD Rules, it is anticipated that construction activities and materials used in the construction of the proposed Project and related projects would not combine to create objectionable odors. Thus, cumulative odor impacts are considered less than significant and no mitigation is required.

Due to the non-attainment of O<sub>3</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> standards in the Basin, the generation of daily operational emissions associated with cumulative development would result in a cumulative significant impact associated with the cumulative net increase of any criteria pollutant for which the region is in nonattainment. With respect to operational emissions, the SCAQMD has indicated that if an individual project results in air emissions of criteria pollutants (CO, ROG, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub>) that exceed the SCAQMD recommended daily thresholds for project-specific impacts, then it would also result in a cumulatively considerable net increase of these criteria pollutants for which the region is in nonattainment under an applicable federal or state ambient air quality standard. As discussed previously, operational emissions associated with the proposed Project would not exceed the SCAQMD's thresholds of significance for any criteria pollutants. Therefore, the cumulative impact of the proposed Project for operational emissions would be considered less than significant and no mitigation is required.

As discussed previously, the proposed Project would generate a net increase of 11 a.m. and 13 p.m. peak hour trips and there is no potential for significant project-related traffic impacts under applicable LADOT criteria. As such, the proposed Project would not have the potential to cause or contribute to an exceedance of the California one-hour or eight-hour CO standards of 20 or 9.0 ppm, respectively; or generate an incremental increase equal to or greater than 1.0 ppm for the California one-hour CO standard, or 0.45 ppm for the eight-hour CO standard at any local intersection. Therefore, CO hotspots would not occur at any local intersections in the future as a result of the Proposed project, and the proposed Project's contributions would not be cumulatively considerable. Therefore, potential cumulative impacts would be less than significant and no mitigation is required.

# C. Greenhouse Gas ("GHG") Emissions

2. Direct GHG Impacts. The proposed Project would be consistent with all feasible and applicable strategies to reduce GHG emissions in California and the City, including the Los Angeles Green Building Code. Thus, the proposed Project would not conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHGs and these impacts would be considered less than significant.

The proposed Project would be substantially consistent with applicable plans, policies and regulations aimed at reducing GHG emissions. The proposed Project is an infill redevelopment project that would be replacing 30 existing dwelling units with 54 units, resulting in a net increase of 24 dwelling units. The Project is an infill development that is situated in an area adequately served by an existing network of roadways and utilities, is within walking distance to neighborhood commercial/retail land uses, and is adequately served by public transit. The Project Site is located approximately 1,200 feet (walking distance) from Hollywood Boulevard and Western Avenue Metro Red Line station portal, and is within a designated Consistent with Section G of the SNAP transit oriented district. Development Regulations, the proposed Project will provide 27 bicycle parking spaces within the underground parking garage. The proposed Project is also an affordable housing project with 25 units (46%) reserved for Very Low Income households, 16 units (30%) reserved for Low Income households and 12 units (22%) reserved for Moderate Income households. Project design features promote walking and bicycling, and reduces vehicle trips and vehicle miles traveled, which are directly correlated to reducing GHG emissions. Furthermore, the proposed Project would be required to implement all mandatory LA Green Building Code measures for newly constructed low-rise residential buildings.

In addition, the Project will be consistent with the reductions in GHGs called for in AB 32 and the State Scoping Plan which are referred to as reduction in Business As Usual ("BAU") emissions. Therefore, a project that is able to demonstrate a 16 percent reduction in GHG emissions as compared to the BAU scenario, would be considered consistent with AB 32 and the State's goal of achieving 1990 GHG emission levels by the year 2020. As shown in Table IV.D-7, the proposed Project would generate approximately 650.69 CO2e MTY, which is approximately 165.09 CO2e MTY below the BAU scenario emission estimates. This reduction equates to an approximate 20.24 percent reduction or break from the BAU scenario emissions. Therefore, the proposed Project's greenhouse gas impacts would be considered less than significant and no mitigation is required, however, regulatory compliance measure C-2 shown above in the Air Quality section of these Findings and in the EIR would be applicable to GHG emission reduction and was considered in the GHG emission analysis.

3. Cumulative GHG Impacts. The proposed Project's GHG emissions would not be considered to be substantial when compared to California's statewide GHG emissions. California has mandated a goal of reducing statewide emissions to 1990 levels by 2020, even though statewide population and commerce is predicted to continue to expand. In order to achieve this goal, CARB is in the process of establishing and implementing regulations to reduce statewide GHG emissions. However, there are currently no significance thresholds, specific reduction targets, and no approved policy or guidance to assist in determining significance at the project or cumulative level. Additionally, there is currently no generally accepted methodology to determine whether GHG emissions associated with a specific project represent new emissions or existing, displaced emissions.

Moreover, a sizeable percentage of the operational GHG emissions conservatively associated with the proposed Project should not be considered new emissions attributable to the Project because the future residents already generate emissions through their current activities. As discussed previously, the proposed Project is consistent with the Green LA Action Plan and the Los Angeles Green Building Code, and incorporates measures that would advance their objectives.

Given the Project's consistency with State, regional, and City GHG emissions reduction goals and objectives, its contribution to the cumulative impact of global climate change would be less than significant and would not conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of GHGs. Similarly, related projects would also be subject to these emissions reduction goals and objectives (e.g., the Los Angeles Green Building Code). Therefore, the potential impact on global warming resulting from implementation of the proposed Project and related projects would not be cumulatively considerable. Potential impacts would be less than significant and no mitigation is required, however, regulatory compliance measure C-2 shown above in the Air Quality section of these Findings and in the EIR would be applicable to GHG emission reduction.

# D. Land Use and Planning

1. Consistency and Compatibility With the Existing Environment. The proposed Project would increase the density of housing on the Project Site, but would be consistent with the existing multi-family land uses that currently occupy the Project Site and adjacent properties. No separation of land uses or disruption of access between land use types would occur as a result of development of the proposed Project. Therefore, implementation of the proposed Project would not disrupt or divide the physical arrangement of the established community. Potential impacts related to consistency and compatibility with the existing environment would be less than significant and no mitigation is required.

## 2. Consistency With Regional Plans

a) Consistency with SCAG Policies. The proposed Project would result in a net increase of 24 dwelling units and, as such, does not meet the criteria to be classified as a project of statewide, regional, or area-wide significance as defined in CEQA Guidelines Section 15206. Therefore, a consistency analysis with respect to SCAG's regional goals and policies as contained in the RCPG, RCP, and RTP is not required. The Project Site is, however, located within a designated Compass 2% Strategy Area and is subject to the policies of the Compass 2% Strategy. The proposed Project's consistency with these policies is evaluated in Table IV.E-1, Compass 2% Strategy Consistency Analysis, of the EIR. As discussed in Table IV.E-1, development of the Project would be consistent with the policies of the Compass 2% Strategy as the Project would: (1) redevelop an infill development site located within an urban center; and (2) increase the density of affordable housing in close proximity to the MTA Metro Rail Red Line station. Land use consistency impacts with respect to SCAG polices would be less than significant and no mitigation is required.

- b) Consistency with the MTA's CMP. Pursuant to MTA's policies, a Traffic Impact Analysis is not required if the lead agency for the EIR determines that traffic is not a significant issue, and does not require local or regional analysis in the EIR. The proposed Project does not require or propose any roadway improvements and would not result in any adverse impacts to local traffic. Based on a review of the Project's anticipated trip generation impacts, LADOT has determined that a Traffic Impact Study is not warranted for the proposed Project. Therefore, the Project's impacts upon the CMP roadway network would be less than significant and no mitigation is required.
- c) Consistency with the SCAQMD's AQMP. As discussed previously, the proposed Project would not increase the frequency or severity of existing air quality violations, cause or contribute to new air quality violations, nor would it delay timely attainment of air quality standards or the interim emission reductions specified in the AQMP. The proposed Project's anticipated air quality emissions would be less than significant, and would fall below SCAQMD thresholds for both short-term construction and long-term operation emissions. Therefore, the proposed Project is considered consistent with the AQMP and impacts would be less than significant and no mitigation is required.

# 3. Consistency With Local Plans

a) City of Los Angeles General Plan Framework Element. The proposed Project is consistent with the Framework Element's regional planning, transportation, and air quality strategies to promote infill development and to discourage urban sprawl. The proposed Project is an infill development project that would redevelop a site that is currently developed with 30 dwelling units, increasing the housing density of the Project Site to 54 dwelling units. The increase in housing would assist in fulfilling an unmet housing need for affordable housing within the region, as 53 of the 54 units would be classified as affordable housing units.

The location of the proposed Project in an area within 1,200 feet of a Metro Red Line Station provides accessibility for future residents to alternative modes of transportation, including light rail and local bus transit lines. The proposed Project's proximity to light rail and transit routes linking the Project Site to downtown Los Angeles, Hollywood, and Burbank would reduce future residents' reliance on automobiles. The reduction in vehicle miles traveled ("VMT") associated with placing housing in proximity to regional

transit stations further serves to promote a livable city because the proposed Project would generate fewer mobile source air quality emissions within the South Coast Air Basin. Multi-family housing also operates more efficiently than single-family housing, with reduced energy and water demands. Thus, the multi-family residential nature of the proposed Project would further serve to reduce the proposed Project's impacts associated with the consumption of land and other natural resources.

Furthermore, the Project's utilization of an existing developed site that is already adequately served by existing roadways and infrastructure would minimize environmental impacts associated with extending infrastructure to serve the site and would reduce the consumption of natural resources. Based on these considerations, the Project would be substantially consistent with the Framework Element and land use consistency impacts would be less than significant. No mitigation would be required.

- b) Housing Element. The proposed Project would result in a net increase of 24 housing units as compared to the existing conditions. All but one of the Project's 54 dwelling units will be classified as affordable housing units, with 25 units (46%) reserved for Very Low Income households, 16 units (30%) reserved for Low Income households and 12 units (22%) reserved for Moderate Income households. While relatively small in comparison to the City-wide housing targets, the Project would assist the City in reaching its RHNA goal, specifically with respect to increasing affordable housing. As such, impacts associated with the proposed Project's consistency with the Housing Element would be less than significant and no mitigation is required.
- c) Hollywood Community Plan. The Second Errata to the Final EIR provided a supplemental land use analysis clarifying that the Project is in compliance and is consistent with the applicable policies and objectives of the 1988 Hollywood Community Plan. Table 1 of the Second Errata to the EIR provides a Project consistency analysis with the policies of the 1988 Hollywood Community Plan. The analysis found that the Project would serve to further the objectives and policies of the 1988 Hollywood Community Plan, and no impacts related to land use consistency would occur. Accordingly, impacts would be less than significant and no mitigation is required.
- d) Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan. The Project is located in the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan ("SNAP"). A consistency analysis evaluating the proposed Project's consistency with the applicable provisions of the SNAP is presented in Tables IV-E-3, IV.E-4, and IV.E-5 of the EIR. The proposed Project is seeking approval of off-menu incentives pursuant to LAMC Section 12.22-A,25(g)(3) and Government Code Section 65915 for waivers or

modifications. With approval of the requested off-menu incentives, the proposed Project would be consistent with the provisions of the SNAP. Accordingly, impacts would be less than significant and no mitigation is required.

- e) Hollywood Redevelopment Plan. The proposed Project is subject to the policies and development guidelines set forth in the Hollywood Redevelopment Plan. The proposed Project is an infill development project that would redevelop a site that is currently developed with 30 multi-family dwelling units and would redevelop the Project Site with a total of 54 units, yielding a net increase of 24 units as compared to existing conditions. The proposed Project is substantially consistent the applicable goals of the Hollywood Redevelopment Project Area. Accordingly, impacts related to consistency with the Hollywood Redevelopment Plan would be less than significant and no mitigation is required.
- Hollywood/Beverly-Normandie f) East Earthquake Disaster Assistance ("EDA") Project Area. The proposed Project is consistent with the objectives of the EDA Project Area with respect to replacing and improving the community's supply of housing and providing opportunities for low- and moderate-income households. The proposed Project will improve the character of the Project Site by replacing older, deteriorating structures with new and renovated residential structures with new architectural and landscaping features that are compatible and appropriate for the neighborhood. As such, the proposed Project would be consistent with the goals and objectives of the EDA Plan and land use impacts would be less than significant. No mitigation is required.
- g) LAMC. The Project Site is zoned [Q]R4-2 and R3-1XL. The proposed Project includes the development of multi-family residential uses and associated on-site parking which is a permitted use in both the R4 and R3 zones. Therefore, the Project is consistent with the LAMC with respect to allowable land uses.

The proposed Project includes a three to four-story affordable housing development that is approximately 45 feet in height above existing grade with one contiguous subterranean parking level. The building on the Serrano Avenue portion of the Project Site will be located on the [Q]R4-2 zoned portion of the site which does not specify a structural height limit. The proposed 45-foot height of the Serrano Building therefore complies with the LAMC with respect to building height.

The building on the Hobart Boulevard portion of the Project Site will be located on the R3-1XL zoned portion of the site. Height District 1XL limits the building height for the Hobart Property to 30 feet. The proposed building on Hobart Boulevard would be 45

feet in height and therefore would not comply with the applicable height requirements of the LAMC. However, the proposed Project includes a request for an "off-menu" incentive under the Affordable Housing Incentives section (pursuant to Section 12.22-A,25 of the LAMC) to allow the proposed 45-foot building height. Additionally, the proposed building height would not result in any significant impacts with respect to altering the aesthetic visual character of the area, blockage of any protected public views, or generating any significant shade and shadow impacts upon neighboring land uses.

The subject property is zoned R3-1XL and [Q]R4-2, which permits one dwelling unit for every 800 and 400 square feet of lot area, respectively. Therefore, 40 dwelling units would be allowed "byright" on the approximate 32,540 square foot Project Site. The State Density Bonus Program and LAMC Section 12.22-A,25(c) (1) allows up to a 35% Density Bonus. Thus, a 35% density bonus, or 14 additional units, for a total of 54 dwelling units, is permitted on the subject property because the proposed Project will reserve 25 of the dwelling units for Very Low Income households, 14 units for Low Income households and 14 units for Moderate Income households. Therefore, the proposed 35% density bonus, or a total of 54 units, is permitted.

LAMC Section 12.22-A,25(d)(2) of the LAMC, Parking Option 2, allows parking to be provided at one parking space per restricted affordable unit. The proposed development will contain 53 restricted affordable units and one market rate manager's unit and provide a total of 56 parking spaces: one parking space for each restricted dwelling unit (53 stalls) and 2 spaces for the manager's 3-bedroom unit plus one guest stall because the subject property is located in Subarea A of the SNAP.

In addition to the Incentives described above for height, unit density, and parking, the proposed Project is seeking approval of an on-menu incentive, pursuant to LAMC Section 12.22-A,25(f)(8), to permit averaging of density, open space and parking over the entire property and to permit vehicular access from a less restrictive zone to a more restrictive zone. In addition, the proposed Project is seeking approval of off-menu incentives, pursuant to LAMC Section 12.22-A,25(g)(3), to allow for a waiver or modification of LAMC Section 12.21-C,5(h), to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone).

The Project as proposed, with the requested On-Menu and Off-Menu Density Bonus/Affordable Housing Incentives, would be in conformance with the LAMC. The requested entitlements would not result in any adverse environmental impacts. Approval of the requests would require the decision makers to make additional

findings demonstrating that the approval of these requests will not be detrimental to the public welfare or injurious to the property or improvements adjacent to or in the same vicinity of the subject property. Accordingly, impacts related to project consistency with the LAMC would be less than significant and no mitigation is required.

### 4. Cumulative Land Use Impacts

The Project, as proposed, is substantially consistent with the applicable local and regional land use plans. Further, with respect to physical land use compatibility, the proposed Project would not change the existing land use of the Project Site and would remain consistent with the multi-family uses in the surrounding area. Therefore, the Project as proposed would not be cumulatively considerable with respect to land use compatibility or consistency with existing applicable plans or zoning code requirements, and the proposed Project would not result in cumulatively significant physical land use impacts.

### E. Noise

- 1. Operational Noise & Vibration. The general Project vicinity could experience slight changes in noise levels as a result of an increase in motor vehicle trips associated with the Project. However, in order for a new noise source to be audible, a three (3) dBA or greater CNEL noise increase would be required. As discussed in the City's CEQA Thresholds Guide, the traffic volume on any given roadway would need to double in order for a three (3) dBA increase in ambient noise to occur. If a project would result in traffic that is less than double the existing traffic, then the project's mobile noise impacts can be assumed to be less than significant. As described in the Traffic Impact Assessment, total daily existing trips from the Project Site are estimated to be 180 trips. The proposed Project's net increase of 24 dwelling units would increase daily vehicle trips by approximately 143 trips and no significant traffic impacts would occur under applicable LADOT criteria. Because the Project would not double existing traffic volumes on the roadways surrounding the Project Site, the proposed Project would not exceed the three (3) dBA CNEL threshold. Therefore, potential impacts related to traffic noise would be less than significant and no mitigation is required.
  - a) Parking Structure Noise. The Project parking structure has the potential to generate noise, however the subterranean parking garage would be entirely below grade and fully enclosed on all sides aside from the entrance driveway. Therefore, noise generated from within the structure would not be expected to adversely affect the existing off-site sensitive receptors located near the Project Site. In addition, the proposed Project would likely improve parking related noise conditions at and around the Project Site by providing substantially more parking on-site than under existing conditions where residents on the Project Site primarily park on the street. Therefore, potential impacts would be less than significant and no mitigation is required.

- b) Stationary Noise Sources. As part of the Project, new mechanical equipment, HVAC units, and exhaust fans would be installed on the roof of the proposed new structures. Although the operation of this equipment would generate noise, the design of these on-site HVAC units and exhaust fans would be required to comply with the regulations under Section 112.02 of the LAMC, which prohibits noise from air conditioning, refrigeration, heating, pumping, and filtering equipment from exceeding the ambient noise level on the premises of other occupied properties by more than five dBs. Thus, the on-site equipment would be designed such that they would be shielded and appropriate noise muffling devices would be installed on the equipment to reduce noise levels that affect nearby noise-sensitive uses. In addition, nighttime noise limits would be applicable to any equipment items required to operate between the hours of 10:00 P.M. and 7:00 A.M. As such, potential impacts related to stationary noise sources would be less than significant with the implementation of regulatory compliance mitigation. Implementation of regulatory compliance measure F-12 will ensure that all new mechanical equipment associated with the proposed Project would adhere to Section 112.02 of the LAMC.
- c) Operational Vibration. The Project would not include any stationary equipment that would result in excessive vibration levels. Although groundborne vibration at the Project Site and immediate vicinity may currently result from heavy-duty vehicular travel (e.g., refuse trucks and transit buses) on the nearby local roadways, the proposed land uses at the Project Site would not result in substantial increased use of these heavy-duty vehicles. While refuse trucks would be used for the disposal of solid waste at the Project Site, these trips are already occurring at the Project Site and within the neighborhood, and only occur once per week. The number of transit buses that travel along adjacent roadways would also not substantially increase due to the proposed Project. Thus, vibration impacts associated with operation of the proposed Project would be less than significant and no mitigation is required.
- d) Mitigation Measures: Regulatory compliance measures have been applied to the Project, as they are applied to all projects in the City, to ensure that the Project meets all LAMC standards for noise attenuation:
  - F-12: All new mechanical equipment associated with the proposed Project shall comply with Section 112.02 of the LAMC, which prohibits noise from air conditioning, refrigeration, heating, pumping, and filtering equipment from exceeding the ambient noise level on the premises of other occupied properties by more than five dBs.

- F-13: All exterior windows associated with the proposed residences at the Project Site shall be constructed with double-pane glass and use exterior wall construction that provides a Sound Transmission Class of 50 or greater as defined in UBC No. 35-1, 1979 edition or any amendment thereto. As an alternative, the Project Applicant may retain an acoustical engineer to submit evidence, along with the application for a building permit, any alternative means of sound insulation sufficient to mitigate residential interior noise levels below a CNEL of 45 dBA in any habitable room.
- 2. Cumulative Operational Noise & Vibration. Cumulative mobile source noise impacts would occur primarily as a result of increased traffic on local roadways due to the proposed Project, ambient growth, and related projects within the area. Therefore, cumulative traffic-generated noise impacts have been assessed based on the contribution of the proposed Project on the roadway segments in the project vicinity. As discussed above, the proposed Project would not have the potential to audibly increase roadway noise levels. As the increase in roadway noise would be inaudible, the Project's contribution to cumulative roadway noise levels would not be considered cumulatively considerable. In addition, the Project's operational equipment would be consistent with Code requirements and would not add to cumulative noise impacts. Similarly, the parking structure would not contribute to cumulative operational noise due to its subterranean location. Further, because the Project would not include any stationary equipment or new mobile sources that would result in excessive vibration levels, the Project's contribution to cumulative operational vibration levels would not be considered cumulatively considerable. Therefore, cumulative impacts associated with operational noise and vibration would be less than significant.

### F. Cultural Resources

Historic Resources. The proposed Project would result in the demolition of all multi-family residential structures currently located on the Hobart Property and all but two of the bungalow structures currently located on the Serrano Property. The two bungalow-style structures currently located on the south side of the rear yard of the Serrano Property will be relocated to the front of the Project Site along Serrano Avenue. None of the structures located on-site are considered historic resources according to the historic resource evaluation prepared by PCR Services Corporation.

The structure located at 1601 N. Hobart Boulevard is not eligible for listing in the national, state or local registers as an exceptional, distinctive, outstanding, or singular example of its type or style. Based on the historic resources evaluation conducted by PCR Services Corporation, the EIR determined that, among other things: 1) the residence is not a pure example of Pueblo Revival style or Spanish Revival style architecture, or any other architectural style, and instead represents an "eclectic" blend of styles that include Mediterranean and indigenous influences; (2) the residence is not a notable work by architect Henry Harwood Hewitt; and (3) substantial alterations have been made to the residence that have compromised its integrity of design, including the removal of the rear courtyard and changes to the interior circulation pattern, such that the residence does not currently retain sufficient integrity to embody the distinguishing characteristics of an architectural style.

Furthermore, the historic resource evaluation found that the structure at 1601 N. Hobart Boulevard does not appear potentially eligible, either individually or as a contributing member of a potential district, under any of the applicable criteria for listing in the National Register or the California Register, or under any of the criteria for designation as a City HPOZ. Additionally, there are no events associated with this property that have made a significant contribution to the broad patterns of cultural, political, economic, or social history of the nation, state or city. Furthermore, none of the occupants or various owners were notable or significant in history. Therefore, the structure at 1601 N. Hobart Boulevard was assigned a California Historic Resources Status Code of 6Z and is "found ineligible for the National Register, California Register, or Local designation through survey evaluation."

PCR Services Corporation's evaluation of the structures on the Serrano Property concluded that they do not possess sufficient historical or architectural significance for listing under any of the applicable federal, state or local eligibility criteria. Because these structures are altered, lack integrity, and are not an exceptional or architecturally important example of the Mediterranean style and are not a bungalow court, they do not appear eligible for listing in the national, state or local registers as an exceptional, distinctive, outstanding, or singular example of their type or style. Additionally, there are no events associated with this property that have made a significant contribution to the broad patterns of cultural, political, economic, or social history of the nation, state or city. Furthermore, none of the occupants or various owners were notable or significant in history. The structures on the Serrano Property do not appear potentially eligible, either individually or as a contributing member of potential district, under any of the applicable criteria for listing in the National Register or the California Register, or under any of the criteria for designation as a City Historic Preservation Overlay Zone. Therefore, the structures on the Serrano Property are assigned a California Historic Resources Status Code of 6Z and are "found ineligible for the National Register, California Register, or Local designation through survey evaluation."

On March 20, 2014 the Cultural Heritage Commission considered a Historic-Cultural Monument Application for the residence at 1601 N. Hobart Boulevard at a public hearing and unanimously denied the Application with a 4-0 vote and determined that the residence does not satisfy the City's criteria for a Historic-Cultural Monument. The Cultural Heritage Commission determined that the residence at 1601 N. Hobart Boulevard does not meet the City's criteria to be designated as an Historic-Cultural Monument because: (1) the residence is not a pure example of Pueblo Revival style or Spanish Revival style architecture, and instead represents an "eclectic" blend of styles that include Mediterranean and indigenous influences; (2) the residence is not a notable work by architect Henry Harwood Hewitt; and (3) substantial alterations have been made to the residence that have compromised its integrity of design, including the removal of the rear courtyard and changes to the interior circulation pattern, such that the residence does not currently retain sufficient integrity to embody the distinguishing characteristics of an architectural style. Therefore, consistent with Cultural Heritage the Commission's determination, the analysis provided in the EIR and the supplemental analyses provided with the Second Errata, demolition of the residence at 1601 N. Hobart Boulevard would not directly impact any historic resource as defined in Section 15064.5(a) of the CEQA Guidelines, and impacts upon historic resources would be less than significant.

The proposed demolition of any structure on the Project Site would not directly impact any historic resource as defined in Section 15064.5(a) of the State CEQA Guidelines. Furthermore, the relocation of the two one-story bungalow structures on the Serrano Property to the front of the lot is appropriate with respect to the contextual relationship with the existing historic structures in the neighborhood. Therefore, impacts upon historic resources would be less than significant and no mitigation is required.

- 2. Archaeological Resources. The Project Site is located in an urbanized area which has been previously disturbed by past development activities. The Project Site is not located in an area designated by the City as an archaeological site or survey area. Thus, any surficial archaeological resources that may have existed at one time have likely been previously unearthed or disturbed. While no further evaluation of archaeological resources is recommended, periodic monitoring during construction is recommended as a precautionary measure to mitigate potential impacts upon the unlikely discovery of archaeological resources, including the potential Native American cultural resources or burial sites, during construction of the proposed Project, should any such materials be encountered. These mitigation measures listed below would ensure that impacts related to archaeological resources would be less than significant.
  - **G-1.** If any archaeological materials are encountered during the course of Project development, all further development activity shall halt and:
    - The services of an archaeologist shall then be secured by contacting the South Central Coastal Information Center ("SCCIC") (657-278-5395) located at California State University Fullerton, or a member of the Society of Professional Archaeologist ("SOPA") or a SOPA qualified archaeologist, who shall assess the discovered material(s) and prepare a survey, study or report evaluating the impact;

- The archaeologist's survey, study, or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource;
- The Project Applicant shall comply with the recommendations of the evaluating archaeologist, as contained in the survey, study or report; and
- Project development activities may resume once copies of the archaeological survey, study or report are submitted to the SCCIC Department of Anthropology. Prior to the issuance of any building permit, the Project Applicant shall submit a letter to the case file indicating what, if any, archaeological reports have been submitted, or a statement indicating that no material was discovered. A covenant and agreement binding the Project Applicant to this condition shall be recorded prior to issuance of a grading permit.
- G-2 If human remains are discovered at the Project Site during construction, work at the specific construction site at which the remains have been uncovered shall be suspended, and the City Public Works Department and County Coroner shall be immediately notified. If the remains are determined by the County Coroner to be Native American, the Native American Heritage Commission ("NAHC") shall be notified within 24 hours, and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains.
- 3. Paleontological Resources. There are no known paleontological resources on the Project Site. No vertebrate fossil sites have been identified in the vicinity of the Project Site. Therefore, previously disturbed surficial soil layers on the Project Site are not likely to contain substantive vertebrate fossils. The Project Site has been previously disturbed and paved for development. The proposed excavation of the one-level parking structure and associated excavation and grading for foundations and utilities for the proposed Project would extend to approximately 15 feet below grade level. While it is possible that paleontological resources could be discovered during construction activities, it is unlikely due to the previous disturbance and development that has occurred on the Project Site. However, Mitigation Measure G-3, described below, is included to ensure that impacts related to paleontological resources would remain less than significant.
  - **G-3:** If any paleontological materials are encountered during the course of Project development, all further development activities shall halt and:
    - The services of a paleontologist shall then be secured by contacting the Center for Public Paleontology - USC, UCLA, California State University Los Angeles, California State University Long Beach, or the Los Angeles County Natural History Museum who shall assess the discovered material(s) and prepare a survey, study or report evaluating the impact;
    - The paleontologist's survey, study, or report shall contain a recommendation(s), if necessary, for the preservation, conservation, or relocation of the resource;

- The applicant shall comply with the recommendations of the evaluating paleontologist, as contained in the survey, study or report; and
- Project development activities may resume once copies of the paleontological survey, study or report are submitted to the Los Angeles County Natural History Museum. Prior to the issuance of any building permit, the Project Applicant shall submit a letter to the case file indicating what, if any, paleontological reports have been submitted, or a statement indicating that no material was discovered. A covenant and agreement binding the Project Applicant to this condition shall be recorded prior to issuance of a grading permit.
- 4. Cumulative Impacts. The Historic Resources Assessment Report for the proposed Project concluded that the Project will not result in significant adverse impacts on identified historic resources located within and adjacent to the Project Site. Based on a review of related projects in the immediate vicinity of the Project Site, no other related projects are located close enough to the Project to cumulatively affect paleontological, archaeological or historic resources. Therefore, cumulative impacts would be less than significant and no mitigation is required.
- 5. Environmental Impacts found to be Significant and Unavoidable For the discussion below, the EIR, First Errata and Second Errata, are incorporated herein by reference.

### A. Construction Noise & Vibration

1. Construction Noise. Due to the use of construction equipment, surrounding off-site sensitive receptors would be exposed to increased ambient exterior noise levels during Project construction. The sensitive receptors would include the residential uses to the north, south, east, and west of the Project Site. As shown in Table IV.F-7, Typical Outdoor Construction Noise Levels, of the EIR, outdoor noise levels at noise-sensitive receptors 50 feet from the noise source could range from 77 dBA to 86 dBA Leq with the use of noise-attenuating devices on construction equipment.

As shown in Table IV.F-8, Exterior Noise at Off-site Sensitive Uses From Project Construction, of the EIR, the peak construction noise level increases experienced by certain off-site sensitive receptors would be up to approximately 44.9 and 46.4 dBA Leq (equivalent continuous noise level – this is an "average" because noise levels often fluctuate over a wide range with time), which could occur at certain residences located north and south of the Project Site, respectively. The increase in noise levels at the off-site locations during construction would be temporary in nature and would only occur periodically, not continuously throughout the construction day. Additionally, while the estimated construction noise levels at each of the off-site locations would be loudest while construction activities are occurring at

areas within the Project Site closest to the off-site location, the majority of the time noise levels at these off-site locations would be reduced as construction activities conclude or move to another more distant or central location of the Project Site. Thus, the highest noise levels that would be experienced by the off-site receptors would occur only for a limited duration during construction of the proposed Project. Furthermore, noise levels are typically reduced even further in the later construction phases during interior building construction because the physical structures that are constructed would break the line-of-sight noise transmission from the Project Site to the off-site receptors.

Based on criteria set forth in the City's CEQA Thresholds Guide, construction activities lasting more than one day that would increase ambient exterior noise levels by 10 dBA or more at a noise-sensitive use would normally result in a significant impact. In addition, the City's CEQA Thresholds Guide states that construction activities lasting more than ten (10) days in a three-month period, which would increase ambient exterior noise levels by five (5) dBA or more at a noise sensitive use, would normally result in a significant impact. As shown in Table IV.F-8, Exterior Noise at Off-Site Sensitive Uses From Project Construction, of the EIR, an increase in ambient exterior noise levels by ten (10) dBA or more would occur at two of the identified sensitive receptor groups, and an increase in five (5) dBA or more would occur for at least ten (10) days in a three month period at the other two sensitive receptor groups. Thus, potentially significant short-term noise impacts from construction would occur at identified sensitive off-site locations.

Section 41.40 of the LAMC regulates noise from construction activities. Exterior construction activities that generate noise are prohibited between the hours of 9:00 P.M. and 7:00 A.M. Monday through Friday, and between 6:00 p.m. and 8:00 a.m. on Saturday. Demolition and construction are prohibited on Sundays and all federal holidays. Section 112.05 of the LAMC limits the operation of powered equipment and powered hand tools to between the hours of 7:00 a.m. to 10:00 p.m., and prohibits noise levels generated by construction machinery from exceeding 75 dBA at 50 feet from the noise source when located within 500 feet of a residential zone. However, according to Section 112.05 of the LAMC, the noise limitation of 75 dBA does not apply where compliance is technically infeasible. Technically infeasible means that the 75 dBA noise limitation cannot be complied with despite the use of mufflers, shields, sound barriers and/or any other noise reduction device or techniques during the operation of the equipment. It has been the City's standard practice to exempt construction projects from the City's noise standards as long as these projects conform to Sections 41.40 and 112.05 of the LAMC, including operating within the permissible hours and days of the week.

Construction activities associated with the Project would comply with the noise regulations established in Sections 41.40 and 112.05 of the LAMC. While peak noise levels from construction activities would exceed 75 dBA at 50 feet from the Project Site, implementation of Mitigation Measures F-1 through F-11, which would require implementation of noise reduction devices and techniques during construction, would reduce the noise levels associated with construction of the proposed Project to the maximum extent

feasible. Thus, the Project would be in compliance with the LAMC with respect to construction and would not violate the noise standards established in the LAMC. Nevertheless, because construction noise levels are likely to exceed the existing ambient noise levels at two of the identified off-site sensitive receptor groups by more than 10 dBA for more than one day and at the remaining two sensitive receptor groups for more than 5 dBA for 10 days in a three month period, Project construction activities would generate a potentially significant impact on a temporary and periodic basis throughout the duration of the construction period.

2. Construction-Related Groundborne Vibration. Construction activities that would occur within the Project Site would have the potential to generate low levels of groundborne vibration. Table IV.F-9, Vibration Source Levels for Construction Equipment, of the EIR identifies various PPV and RMS velocity (in VdB) levels for the types of construction equipment that would operate during the construction of the proposed Project. Based on the information presented in EIR Table IV.F-9, vibration velocities could reach as high as approximately 0.089 inches per second PPV at 25 feet from the source activity, depending on the type of construction equipment in use. This corresponds to a RMS velocity level (in VdB) of 87 VdB at 25 feet from the source activity.

The construction phase vibration velocities forecasted to occur at the off-site sensitive receptors would range from 0.008 PPV at residences east of the Project Site to 0.352 PPV at the nearest residential uses to the south of the Project Site. None of the buildings at the identified off-site sensitive use locations are considered to be "fragile" structures, such as historic buildings or buildings that are extremely susceptible to vibration damage. For the purpose of this analysis, all of the surrounding off-site sensitive receptors are considered to be equivalent to the standards of "engineered concrete and masonry buildings." Only the residences located immediately south of the Project Site would be exposed to PPV groundborne vibration levels that exceed the 0.3 inches per second threshold during construction of the proposed Project. Thus, vibration impacts associated with building damage at this receptor would be considered potentially significant, and vibration impacts associated with building damage at the other sensitive receptors would be less than significant.

With respect to the potential for significant building damage, Mitigation Measure F-11 would require the Project Applicant to retain a certified structural engineer to submit evidence that the vibration-generating equipment that would be used during the construction activities at the Project Site would not result in any structural damage to any adjacent structures immediately surrounding the Project Site. Thus, potential impacts related to structural damage to adjacent structures would be mitigated to less than significant levels.

In terms of human annoyance, the vibration levels forecasted to occur at the off-site sensitive receptors would range from 65.5 VdB at residences located to the east of the Project Site to 98.9 VdB at the nearest residential uses south of the Project Site. The vibration levels at the identified

residences located north, south and west of the Project Site would exceed the FTA's 72 VdB threshold for residences during construction of the proposed Project. As such, construction activities have the potential to generate significant vibration impacts on a temporary and periodic basis during the construction period.

Construction activities associated with the proposed Project would be required to comply with Section 41.40 of the LAMC, which prohibits exterior demolition and construction activities between the hours of 9:00 p.m. and 7:00 a.m. Monday through Friday, and between 6:00 p.m. and 8:00 a.m. on Saturday. As such, none of the construction activities would occur during recognized sleep hours. Additionally, because the Project's construction activities would move around the construction Project Site, the actual duration of the activity proximate to any receptor would be less than the sustained amount if the entire construction activity were constrained to one place on the Project Site. Thus, the period of human annoyance at any one receptor would be short term and temporary. With the implementation of the Mitigation Measures F-1 through F-10 listed below, groundborne vibration impacts associated with the proposed Project would be reduced to the maximum extent feasible. However, because construction vibration levels at the identified residences located north, south, and west of the Project Site would exceed the FTA's 72 VdB threshold for residences at temporary periods during construction of the proposed Project, construction groundborne vibration impacts would be significant and unavoidable.

The following mitigation measures shall be required:

- **F-1:** The Project shall comply with the City's Noise Ordinance Nos. 144,331 and 161,574, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible.
- **F-2:** Construction and demolition shall be restricted to the hours of 7:00 A.M. to 6:00 P.M. Monday through Friday, and 8:00 A.M. to 6:00 P.M. on Saturday, and prohibited on all Sundays and federal holidays.
- F-3: Noise and groundborne vibration construction activities whose specific location on the Project Site may be flexible (e.g., operation of compressors and generators, cement mixing, general truck idling) shall be conducted as far as possible from the nearest noise and vibration-sensitive land uses.
- **F-4:** When possible, construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- **F-5:** Flexible sound control curtains shall be placed around all drilling apparatuses, drill rigs, and jackhammers when in use.
- **F-6:** The Project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.
- **F-7:** Barriers such as plywood structures or flexible sound control curtains extending eight feet high shall be erected around the Project Site boundary to minimize the amount of noise on the surrounding noise-sensitive receptors to the maximum extent feasible during construction.
- **F-8:** All construction truck traffic shall be restricted to truck routes approved by the Department of Building and Safety, which shall avoid residential areas and other sensitive receptors to the extent feasible.

- F-9: The Project shall comply with the City's Building Regulations Ordinance No. 178048, which requires a construction site notice to be provided that includes the following information: job site address, permit number, name and phone number of the contractor and owner or owner's agent, hours of construction allowed by code or any discretionary approval for the site, and City telephone numbers where violations can be reported. The notice shall be posted and maintained at the construction site prior to the start of construction and displayed in a location that is readily visible to the public and approved by the City's Department of Building and Safety.
- **F-10:**Two weeks prior to the commencement of construction at the Project Site, notification shall be provided to the immediate surrounding offsite properties that discloses the construction schedule, including the various types of activities and equipment that would be occurring throughout the duration of the construction period.
- **F-11**: The Project Applicant shall retain a certified structural engineer to submit evidence that the vibration-generating equipment that would be used during the construction activities at the Project Site would not result in any structural damage to any adjacent structures immediately surrounding the Project Site.

### B. Cumulative Construction Noise and Vibration.

Construction of the Project in combination with related projects would result in an increase in construction-related noise and vibration in this already urbanized area of the City. The closest related project to the Project Site is Related Project No. 1, located approximately 330 feet north of the Project Site at 5400 W. Hollywood Boulevard. No other related projects are located within 500 feet of the Project Site and it is anticipated that only Related Project No. 1 could potentially combine construction noise and vibration levels with the proposed Project. However, all of the related projects would be subject to LAMC Section 41.40, which limits the hours of allowable construction activities. In addition, each of the related projects would be subject to Section 112.05 of the LAMC, which prohibits any powered equipment or powered hand tool from producing noise levels that exceed 75 dBA at a distance of 50 feet from the noise source within 500 feet of a residential zone. Noise levels are only allowed to exceed this noise limitation under conditions where compliance is technically infeasible. Nevertheless, construction noise levels for the Project are likely to exceed existing ambient noise levels by more than 10 dBA for more than one day at the identified noise-sensitive receptors and for more than 5 dBA for 10 days in a three-month period, resulting in significant construction noise impacts. Similarly, because construction vibration levels at the identified residences located north, south and west of the Project Site would exceed the FTA's 72 VdB threshold for residences during construction of the proposed Project, construction groundborne vibration impacts associated with human annoyance would be significant and unavoidable. As Projectrelated construction noise and vibration impacts would be considered significant, it is possible that Project-related construction activities could combine with construction activities associated with Related Project No. 1 resulting in a cumulatively considerable noise and vibration impact during construction. As such, cumulative impacts with respect to construction noise and vibration would be considered significant and unavoidable. Mitigation Measures F-1 through F-11 described above will be applied to the Project.

### 6. Alternatives to the Project

Section 15126.6 of the CEQA Guidelines requires EIRs to "describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." The discussion of alternatives need not be exhaustive, but rather it must consider a reasonable range of potentially feasible alternatives that will foster informed decision-making and public participation. An EIR must also evaluate a "no project" alternative. An EIR is not required to consider alternatives that are infeasible.

### A. Alternatives Considered but Rejected.

Consistent with Section 15126.6 (f), the selection of alternatives evaluated in the EIR are limited to ones that would be capable of avoiding or substantially lessening any of the significant effects of the proposed Project.

### 1. Historic Retention Alternative

A historic retention alternative would retain or rehabilitate the existing residential structure at 1601-1605 Hobart Avenue. However, based on the findings and conclusions of a site-specific historic resource assessment, experts in the field of architectural history concluded that the subject property at 1601-1605 N. Hobart Boulevard does not possess sufficient historical or architectural significance for listing under any of the applicable federal, state or local eligibility criteria. Therefore, based on the professional opinions of experts with extensive experience in the field of architectural history, it was concluded that no structures on the Project Site are considered historic resources pursuant to CEQA. Accordingly, the EIR concludes the demolition of the structures proposed for demolition, including the structures at 1601-1605 N. Hobart Boulevard, would not result in a significant impact with respect to a historic resource as defined in Section 15064.5(a) of the State CEQA Guidelines. This evaluation was also confirmed on March 20, 2014, with the Cultural Heritage Commission's unanimous determination that the residence at 1601 N. Hobart Boulevard does not satisfy the City's criteria for an Historic-Cultural Monument.

Based on this information, and confirmed by the Cultural Heritage Commission and the analysis in the Final EIR, a historic preservation alternative is not warranted and thus was rejected from further evaluation.

### 2. Alternative Project Site

The Project Applicant, HCHC, currently owns the Project Site and is currently renting the dwelling units located on the Project Site as affordable housing units. Thus, selecting an alternative location to develop a separate affordable housing would not be supportive of the Project's objective with respect to rehabilitating the existing dwelling units on the Project Site and revitalizing a currently underutilized site. Moreover, the Project Site is an infill development located within the Vermont/Western Transit Oriented District Specific Plan. Both of these attributes serve to minimize environmental impacts typically associated with residential development projects. For one, projects within designated TODs are known to reduce a project's trip generation rate as compared to other projects that are not served by or within walking distance to modes of alternative transportation. The location of the Project within a designated TOD would thus serve to

reduce the Project's overall vehicle miles traveled ("VMTs"), which would also result in corresponding reductions to associated air quality emissions and traffic related noise sources.

With respect to avoiding or reducing the Project's significant and unavoidable construction-related noise and vibration impacts, any urban infill site that is located next to an existing residential property or other noise sensitive land use would likely result in the same level of impacts, as such impacts are inherent to the construction process. Finding an alternative site that is zoned for multi-family residential land uses and is entirely surrounded by commercial land uses would severely limit the range of suitable sites within the Hollywood Community Plan area. It would be impractical to select an alternative site that is not an infill development for purposes of minimizing or avoiding a temporary noise impact, if the operational impacts associated with increased traffic and mobile sources air quality emissions are increased. For these reasons an alternative location was not considered for further analysis.

#### **B.** Alternatives Evaluated

### 1. No Project Alternative

The No Project Alternative is the circumstance under which the proposed Project does not proceed. For purposes of the EIR's evaluation, the No Project Alternative consisted of the continuation of the existing baseline setting on the Project Site as described in Section III, Environmental Setting in the EIR, with minor modifications and site improvements. The Project Site is currently developed with 30 multi-family housing units, including four, two-story apartment buildings, and two single-story bungalow structures. At the time the NOP was published (March 2011), 22 of the 30 units were occupied. As such, it is reasonable to assume that under the No Project Alternative, the Applicant would undertake modest improvements to the existing buildings to fully utilize the site to its full operating capacity of 30 dwelling units.

The No Project Alternative would be environmentally superior to the proposed Project, as it would avoid the significant and unavoidable impacts associated with construction noise and vibration that would occur under the proposed Project. However, the No Project Alternative would not meet the majority of the Project objectives, including to increase the supply of affordable housing within the Hollywood community and to provide additional housing in an area with necessary infrastructure in place to support that housing, such as the Metro Red Line station. While the No Project Alternative would allow for the continued use and operation of the site as an affordable housing project, it would not allow for any increase to the existing 30 apartments that currently exist on site. This Alternative would retain the current unit mix of 1 and 2-bedroom units, but no 3bedroom units would be provided and the proposed community room. secured open space, and on-site laundry would not be included. Therefore, the No Project Alternative would also fail to meet the Project objective of providing an affordable unit mix necessary to meet the needs of large families, with adequate secured open space and on-site amenities. In addition, while the No Project Alternative would allow for the limited rehabilitation of the two vacant non-historic 1920s bungalows, they would remain in place and would fail to fully meet the project objective of relocating the units on-site where they could help provide a consistent street frontage on Serrano Avenue. Further, the No Project Alternative would fail to meet the project objective of providing a high performance and environmentally efficient Project with the intent to achieve the equivalent of LEED Silver certification.

This Alternative would also fail to maintain the economic vitality of the region by providing job opportunities associated with the construction of the proposed Project, would fail to provide a well-designed development consistent with and complementary to surrounding land uses, and would fail to provide enhanced landscaped features. Further, the Alternative would not provide adequate on-site vehicle and bicycle parking, and most residents would continue to park their cars on local streets given the limited on-site parking supply. The City therefore finds that the No Project Alternative is infeasible and less desirable than the proposed Project, and rejects the Alternative because it does not achieve the majority of the Project objectives, and does not meet the public policy objectives of the City to expand the supply of affordable housing in the Hollywood area.

### 2. Affordable Housing Zoning Compliant Alternative

The Affordable Housing Zoning Compliant Alternative would include a development with a total of 45 multi-family apartment units, including 43 affordable housing units and two manager units. A summary table of this Alternative is presented in Table V-4, Development Summary – Affordable Housing Zoning Compliant Alternative, of the EIR. The purpose of this alternative is to provide an affordable housing project in a manner that uses three Density Bonus Incentives permitted for affordable housing projects. but avoids any further discretionary actions (now being requested as "offmenu" Density Bonus Incentives as set forth in the First Errata) to deviate from the provisions of the Vermont/Western Transit Oriented District Specific Plan/Station Area Neighborhood Plan ("SNAP") and the LAMC. As compared to the proposed Project, this Alternative would not seek a waiver or modification from the SNAP to permit more than two lots to be tied together exceeding the maximum 15,000 square feet of lot area otherwise permitted. As a result, this alternative would be developed as three separate projects and each apartment building would comply with the building setbacks and open space requirements as specified by the LAMC. A site plan depicting the layout of the Affordable Housing Zoning Compliant Alternative is presented in Figure V-1, Conceptual Site Plan - Affordable Housing Zoning Compliant Alternative, of the EIR. As authorized under Section 12.22-A,25 of the LAMC, as an affordable housing project, this Alternative would seek approval of a Density Bonus/Affordable Housing Incentives Determination to allow a 35% increase in density. alternative would include two waivers or modifications of Development Standards for an incentive not on the menu pursuant to Section 12.22-A,25(g)(3) of the LAMC, to allow: 1) a 45-foot in height building in lieu of the 30-foot height permitted in Height District No. 1XL by Section 12.21.1 of the LAMC; and 2) an approximately 45-foot in height building in lieu of the approximately 27-foot in height building otherwise permitted by Section 7.D of the SNAP.

Under this Alternative, the Hobart Property would remain in its current lot configuration with approximately 15,017 square feet of lot area. All of the existing structures on the Hobart Property would be demolished to allow for

the construction of a 4-story apartment building with 25 affordable dwelling units, including 11 one-bedroom, 6 two-bedroom, and 8 three-bedroom units. Parking would be provided pursuant to Section 12.22-A,25(d)(2)(i) of the LAMC, which allows one parking space for each restricted affordable unit. A total of 26 parking spaces would be provided, 25 for each affordable unit and one space for the manager's unit. Similar to the proposed Project, on-site parking would be provided below grade with access from Hobart Boulevard.

In contrast to the proposed Project, this alternative would not rehabilitate and relocate the two 1-story bungalow structures on the Serrano Property as the relocation of these structures on-site would not be economically or technically feasible due to the lot line configurations and yard setback requirements under the LAMC. Instead, all of the existing structures on the Serrano Property would be demolished and two 3-story structures would be developed with 10 units. Both apartment buildings on the Serrano Property would include 2 one-bedroom units, 4 two-bedroom units, and 4 threebedroom units, resulting in a total of 20 units. Parking would be provided pursuant to Section 12.22-A,25(d)(2)(i) of the LAMC, which allows one parking space for each restricted affordable unit. A total of 21 parking spaces would be provided, 20 for each affordable unit and 1 space for a manager's unit. Similar to the proposed Project, on-site parking would be provided below grade. However, unlike the proposed Project, where access would be limited to one egress/ingress driveway on Hobart Boulevard, this Alternative would include two driveways on Serrano Avenue and one driveway on Hobart Boulevard.

The Affordable Housing Zoning Compliant Alternative would have similar impacts as the proposed Project, and would result in the same significant and unavoidable impact in the area of construction noise and vibration. By not requesting the discretionary land use entitlements that would enable the development of the Project, the Affordable Housing Zoning Compliant Alternative would only allow for a 45-unit project (compared to 53 units under the proposed Project's development program). Accordingly, while the Alternative would partially meet the objective of providing new affordable housing units in the Hollywood community in an area with the necessary infrastructure in place to support it, the Alternative would not meet this objective to the same degree as the Project because it would provide 13 fewer units. Likewise, the Alternative would not meet the objective of providing at least 54 apartments of which 53 will be affordable to working families earning 30% to 60% of Los Angeles County Area Median Income. In addition, the alternative would not meet the objective of rehabilitating and relocating the two 1-story bungalow structures on the Serrano Property as the relocation of these structures on-site would not be economically or technically feasible due to the lot line configurations and yard setback requirements under the LAMC. Thus, while the Alternative would re-develop a portion of the site, the Alternative would not meet the objective to revitalize a currently underutilized site to the same extent as the proposed Project.

In addition, as a matter of public policy, the City finds that maximizing the number of affordable units on the Project Site will provide the greatest benefit to the residents of the City and will best help to meet the affordable housing goals of the General Plan Housing Elements and the RHNA.

The City therefore finds that the Affordable Housing Zoning Compliant Alternative is infeasible, and rejects the Affordable Housing Zoning Compliant Alternative because the Affordable Housing Zoning Compliant Alternative would not serve to reduce the significant and unavoidable impacts from construction noise and vibration caused by the proposed Project and would fail to meet the majority of the Project objectives to the same extent as the proposed Project. Further, because the Affordable Housing Zoning Compliant Alternative reduces the number of affordable units in the project, the City finds the Affordable Housing Zoning Compliant Alternative infeasible as a matter of public policy.

### 3. Market Rate Zoning Compliant Alternative

The Market Rate Zoning Compliant Alternative would include a development with a total of 34 multi-family apartment units. This Alternative would not be an affordable housing project and would not use the City's Density Bonus Incentives or involve any other discretionary requests that would allow deviations from the provisions of the Zoning Code or the Vermont/Western Transit Oriented District Specific Plan/Station Area Neighborhood Plan ("SNAP"). A summary table of this Alternative is presented in Table V-8, Development Summary–Market Rate Zoning Compliant Alternative, of the EIR. A conceptual site plan of the Market Rate Zoning Compliant Alternative is provided in Figure V-2, Conceptual Site Plan - Market Rate Zoning Compliant Alternative, of the EIR.

Under this Market Rate Alternative, the Hobart Property would remain in its current lot configuration with approximately 15,017 square feet of lot area. The existing structures on the Hobart Property would be demolished to allow for the construction of a 3-story apartment building with 18 market rate apartment units, including 6 one-bedroom, 6 two-bedroom, and 6 three-bedroom units. Parking would be provided per LAMC requirements, which would require 33 parking spaces. Similar to the proposed Project, on-site parking would be provided below grade in a subterranean parking garage. The building height of the Hobart structure would be limited to 30 feet above grade therefore, the floor to ceiling height of each story would be reduced under this alternative to 8 feet 6 inches and the building would be sunken into the ground approximately 18 inches.

The Serrano Property would be developed as two separate lots conforming to the existing lot line configurations. Both lots fronting Serrano Avenue are comprised of 8,762 square feet of lot area. All of the existing structures on the Serrano Property would be demolished under this alternative to allow for the construction of two new 2-story structures with 8 units in each structure. The height of the apartment buildings would be approximately 27 feet above grade. Both apartment buildings on the Serrano Property would include 4 one-bedroom units, and 4 two-bedroom units. No three-bedroom units would be provided. Parking would be provided pursuant to the LAMC, with 24 on-site parking being provided below grade.

Comparatively, this alternative has 20 fewer units than the proposed Project. Contrary to the proposed Project, this alternative would not rehabilitate and relocate the two 1-story bungalow structures on the Serrano Property as the relocation of these structures on-site would not be

economically or technically feasible due to the lot line configurations and yard setback requirements under the LAMC.

Unlike the proposed Project, where access would be limited to one egress/ingress driveway on Hobart Boulevard, this alternative would include two driveways on Serrano Avenue and one driveway on Hobart Boulevard.

The Market Rate Zoning Compliant Alternative would have similar impacts as the proposed Project, but would not fulfill a majority of the Project objectives. While the Market Rate Zoning Compliant Alternative would be capable of reducing air quality emissions, the environmental findings would be similar to the proposed Project as neither the Market Rate Zoning Compliant Alternative nor the proposed Project would exceed the thresholds of significance for air quality or greenhouse gas emissions The Market Rate Zoning Compliant Alternative would likely reduce the duration of the construction period, and therefore the duration of noise impacts from construction, but the thresholds of significance would still be exceeded under this alternative for construction noise and vibration due to the proximity of adjacent sensitive receptors. Accordingly, the Market Rate Zoning Complaint Alternative would continue to have significant and unavoidable impacts with respect to construction noise and vibration. With respect to the other impact issues evaluated within the scope of the EIR, the environmental impacts would differ slightly but the environmental statements of significance would be unchanged as compared to the proposed Project.

With respect to achieving the Applicant's Project objectives, the Market Rate Zoning Compliant Alternative would fail to meet the Project objectives of providing new affordable housing in the Hollywood community in an area with the necessary infrastructure to support it. Rather, the Alternative would provide market-rate units, and no affordable units to increase the needed affordable housing supply in the area. In addition, the Alternative would not meet the objective to rehabilitate two vacant non-historic 1920s bungalows to be relocated on-site, because the Alternative would demolish all of the existing structures on the Serrano Property. Further, the Alternative would not meet the objective to revitalize a currently underutilized site to the same extent as the proposed Project because the Alternative would have 20 fewer units than the proposed Project.

The City therefore finds that the Market Rate Zoning Compliant Alternative is infeasible, and rejects the Market Rate Zoning Compliant Alternative because the Alternative would not serve to reduce the significant and unavoidable impacts from construction noise and vibration caused by the proposed Project and would fail to meet the majority of the Project objectives to the same extent as the proposed Project. The City also finds that the Market Rate Zoning Compliant Alternative is infeasible as a matter of policy and rejects the alternative. The Market Rate Zoning Compliant Alternative would fail to meet the City's important policy objective of creating new affordable housing to help meet the demand for affordable housing in the Southern California and Hollywood area. The Market Rate Zoning Compliant Alternative would fail to provide at least 53 affordable units affordable to working families earning from 30% to 60% of LA County AMI, in an area with the necessary infrastructure in place to support it, such as the Metro Red Line station. Therefore, the Market Rate Zoning

Compliant Alternative fails to help meet the affordable housing goals of the City as stated in the General Plan Housing Element and RHNA.

### 4. Environmentally Superior Alternative

The No Project Alternative would be environmentally superior to the Proposed Project, as it would avoid the significant and unavoidable impacts associated with construction noise and vibration that would occur under the proposed Project. However, as described above, the No Project Alternative would not meet the majority of the project objectives, including important City policy objectives related to increasing the supply of affordable housing in the Hollywood community.

In accordance with State CEQA Guidelines 15126.6(e), if the environmentally superior alternative is the "no project" alternative, the EIR shall also identify an environmentally superior alternative among the other alternatives. The EIR therefore concluded that the Market Rate Zoning Compliant Alternative would be the environmentally superior alternative to the Proposed Project. While the Market Rate Zoning Compliant Alternative would reduce the duration of construction noise compared to the proposed Project due to its smaller size, it would still result in significant and unavoidable impacts related to construction noise and vibration due to the proximity of adjacent residences. Further, as described above, the Market Rate Zoning Compliant Alternative would fail to meet the majority of the project objectives, particularly the important City policy objectives related to increasing the supply of affordable housing in the Hollywood community. Thus, the City finds that the Market Rate Zoning Compliant Alternative is infeasible, and rejects the Market Rate Zoning Compliant Alternative because the Alternative would not serve to reduce the significant and unavoidable impacts from construction noise and vibration caused by the proposed Project and would fail to meet the majority of the Project objectives to the same extent as the proposed Project.

### 7. Findings Regarding Other CEQA Considerations

### A. Significant Irreversible Environmental Changes

Construction of the proposed Project would consume limited, slowly renewable and non-renewable resources. The use of materials such as wood, metal, fossil fuels, natural gas and water would occur during construction of the proposed Project and would continue throughout its operational lifespan. The development of the proposed Project would require a commitment of resources for building materials, heating and cooling demands, potable water and irrigation, and the transportation of goods and people to and from the Project Site. The commitment of resources required for the construction and operation of the proposed Project would limit the availability of these resources for future generations for other uses during the operation of the proposed Project. However, the consumption of natural resources associated with the proposed Project would be of a relatively small scale and would be consistent with regional and local growth forecasts in the City of Los Angeles and the Southern California region. As a result, the use of non-renewable resources in this manner would not result in significant irreversible changes to the environment.

### **B.** Growth-Inducing Impacts of the Proposed Project Section 15126.2(d) of the State CEQA Guidelines requires a discussion of the ways in which a proposed project could be growth-inducing. This would include ways in

which the project would foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. The primary goal of the proposed Project is to preserve and expand the supply of affordable housing for lower income households in the Hollywood area of the City of Los Angeles. Specifically, the proposed Project would provide a total of 54 dwelling units, of which 53 will be affordable to working families earning from 30% to 60% of Los Angeles County Area Median Income. The proposed Project, by its very nature, is intended to accommodate and serve a specific demographic of low-income individuals and families who are in need of affordable housing opportunities in the Hollywood area. Thus, the proposed Project is not expected to induce population or housing growth within the region. As discussed in further detail in EIR Section IV.E, Land Use and Planning, the proposed Project would be consistent with the population and housing growth projections contained within the Housing Element of the City's General Plan, and would promote the housing goals set in the RHNA to increase the number of affordable housing units within the region.

### 8. Statement of Overriding Considerations

The Final EIR has identified unavoidable significant impacts that will result from implementation of the proposed Project. Section 15093(b) of the CEQA Guidelines provides that when the decision of the public agency allows the occurrence of significant impacts that are identified in the EIR but are not at least substantially mitigated, the agency must state in writing the reasons to support its action based on the completed EIR and/or other information in the record.

Accordingly, the City adopts the following Statement of Overriding Considerations. The City recognizes that significant and unavoidable impacts will result from implementation of the Project. Having (i) adopted all feasible Mitigation Measures, (ii) rejected alternatives to the proposed Project discussed above, (iii) recognized all significant, unavoidable impacts, and (iv) balanced the benefits of the proposed Project against the Project's significant and unavoidable impacts, the City hereby finds that the benefits of the proposed Project outweigh and override the significant unavoidable impacts for the reasons stated below.

The below stated reasons summarize the benefits, goals, and objectives of the proposed Project, and provide the rationale for the benefits of the Project. These overriding considerations justify adoption of the Project and certification of the completed Final EIR. Each of these overriding considerations individually would be sufficient to outweigh the adverse environmental impacts of the Project.

A. The proposed Project would create 53 new affordable housing units, which would increase the affordable housing supply for families in the East Hollywood Area and help the City fulfill the affordable housing needs shown in the RHNA for the City's General Plan Housing Element.

The Regional Housing Needs Assessment (RHNA) has determined that there is a need for the construction of 112,876 new housing units in the City by 2014 with the following housing distribution: 4,344 units as extremely low-income; 8,576 units as very low-income; 8,582 units as low-income; 4,415 units as moderate-income; and 86,961 units as above moderate income. In 2014, Mayor Garcetti also set a goal of constructing 100,000 new homes in the City by 2021. The units in the proposed Project will help to fulfill the important need for these units at the very low and low income levels. Housing units at these income levels are urgently needed in the City, and will help achieve long-term affordable housing goals set forth in the City's General Plan Housing Element.

B. The proposed Project would provide new units that can replace older income restricted units whose affordability restrictions will expire within the next 5-10 years.

The proposed Project would create 53 new units of affordable housing in the Hollywood area of Los Angeles that would be deed restricted and remain affordable for the next 55 years. The City of Los Angeles Housing Element's Housing Needs Assessment states that "the City's residents experience high rates of housing cost burdens, low home ownership rates, and loss of existing low rent housing." (Housing Needs Assessment at 1-3.) The Housing Needs Assessment also shows that within five to ten years seven percent of affordable housing units with affordability restrictions are set to expire. This means that as many as 4,534 units of affordable housing could shift to market rate housing during that time frame. Therefore, the City has made it a priority to preserve existing affordable units and create new units to ensure a supply of affordable homes for families in need. Notably, the affordability restrictions for the existing affordable housing units on the Project Site are set to expire in the next five to ten years. Therefore, in the absence of the Project, the 30 existing units on the Project Site could convert to market rate housing. The proposed Project ensures that 53 new units on the Project Site will remain affordable for more than five decades, ensuring that affordable housing units on the property will remain available to meet the City's substantial affordable housing demands.

C. The proposed Project would provide a mix of affordable units for families of various sizes including 1, 2 and 3 bedroom units which are needed to house large families who require affordable housing.

The City of Los Angeles Housing Needs Assessment states: "Large households, defined as those with five-or-more persons, have special housing needs due to the lack of adequately sized, affordable housing... Large family households need large housing units of three-or-more bedrooms in order to avoid being overcrowded (1.01 or more persons per room, under the Federal standard). According to the 2010 ACS, only 13% of rental units had 3 or more bedrooms, compared to about 69% of owner-occupied units. Consistent with the 2010 Census, large family households comprise 18% of owner-occupied units but only 15% of renter housing. While there are clearly enough large owner-occupied dwelling units, there is a dearth of larger rental units. This is of particular concern considering that a majority of large families (57%) rent their units... Given that the majority of large families are renters; there is a continuing need for affordable, large rental units."

In the proposed Project, 33% of the units will contain three bedrooms (a total of 18 units), which will help meet the pressing need for affordable housing for large families. In addition, the Project includes a community room and ample secured open space to further meet the needs of these families. Accordingly, the Project would achieve the goals set forth in the City's Housing Needs Assessment of providing affordable, larger rental units to accommodate families.

D. The proposed Project would be located near commercial areas and public transportation which will offer affordable housing residents an ability to commute to work without the need for a car.

The proposed Project is representative of a "smart growth" project as it is an infill development project that is situated in an area adequately served by an existing network of roadways and utilities, within walking distance to neighborhood commercial/retail land uses, and adequately served by public transit. The Project Site is located approximately 1,200 feet (walking distance) from the Hollywood Boulevard and Western Avenue Metro Red Line station portal, and is within a designated transit oriented district. Residents of affordable housing often have limited transportation choices. The low incomes of affordable housing occupants may make it difficult to acquire and maintain a vehicle, which can limit the ability for residents to maintain jobs, access child care, or easily access normal retail services such as groceries. Placing affordable units in an infill area that is accessible to commercial areas and existing mass transit will provide residents with mobility choices and access to basic services.

E. The proposed Project would be designed and constructed to incorporate environmentally sustainable design features that would achieve the standards of the U.S. Green Building Council's Leadership in Energy Efficiency and Design (LEED®) program.

The proposed Project would provide a high performance and environmentally efficient development with the intent to achieve the equivalent of LEED Silver certification. Achieving this level of environmental sustainability would meet the Standard of Sustainable Excellence pursuant to the City's Green Building Code.

F. The proposed Project would help to implement the Green LA – Action Plan to Lead the Nation in Fighting Global Climate Change.

The Project has been designed to significantly minimize the carbon footprint of its residents. The Green LA program is a plan for the City of Los Angeles to reduce greenhouse gas emissions. The Plan notes that "Los Angeles will meet the goal of reducing CO<sub>2</sub> emissions 35% below 1990 levels by increasing the generation of renewable energy, improving energy conservation and efficiency, and changing transportation and land use patterns to reduce dependence on automobiles." The Plan notes that "[t]hrough direct municipal action to mitigate emissions and through partnerships with the public and private sectors, Los Angeles can reduce GHG emissions by 35 percent. Reducing the city's carbon footprint will bring multiple environmental benefits, with cleaner air, better public health, and more open space. It will stimulate an important new high-tech sector of the economy—the green economy—with opportunities for well-paying jobs for Angelenos." The proposed Project would help to implement the goals in the Green LA Plan. The Plan notes that "[n]early half of citywide emissions come from transportation sources, primarily cars and trucks." The location of the Project near existing transit would reduce residents' reliance on vehicular travel, thereby reducing GHG emissions.

G. The proposed Project would maintain and enhance the economic vitality of the region by providing job opportunities associated with the construction of the proposed Project.

The proposed Project would create construction jobs during the construction of the proposed Project, which would enhance the economy of the region. The jobs created would primarily benefit small and midsized businesses based in Los Angeles County and would include laborers, carpenters, truck operators, skilled tradesmen, and management positions. Payroll for these jobs, as well as money

for things such as construction equipment and purchase of construction materials, would provide an indirect economic ripple effect as money from the Project is circulated throughout the local economy.

# H. The proposed Project would rehabilitate two vacant non-historic 1920s bungalows to be relocated on-site and restored to serve as three one-bedroom units.

As part of the proposed Project, the two bungalows located on the Serrano Property would be relocated and rehabilitated on the western frontage of the Project Site. Upon Project operation, the rehabilitated structures would contain three dwelling units in approximately 1,661 square feet of floor area. These two bungalows would provide a consistent street frontage along Serrano Avenue, which is largely comprised of bungalow courts. Indeed, several historic bungalow courts are located in the 1500 block of Serrano Avenue. Relocating and rehabilitating the two bungalows along Serrano Avenue would further preserve the character of Serrano Avenue.

### I. The proposed Project would provide a well-designed development that is consistent with and complementary to surrounding land uses.

The Project's buildings will be designed in relation to the existing built environment along each street frontage. The building on Hobart Boulevard will be complementary to the Moderne/Art Deco streetscape along Hobart Boulevard, with a prominent lobby and broad open facade and setback. The building on Serrano Avenue will have a reduced scale to match the character of buildings along Serrano Avenue. Colors and materials will be chosen accordingly, with smoother materials and lighter, neutral colors along Hobart Boulevard, and tactile, articulated materials and deeper colors or natural materials along Serrano Avenue. Window shading will be employed at all sides, including plaster "eyebrows" and metal brise-soleils that will accentuate and deepen the window openings.

### J. The proposed Project would provide generous open space in an urban environment.

The Project will provide the amount of open space required by Section 12.21-G,2 of the LAMC in a combination of private and common open space areas. Additionally, there will be an approximately 1,050 square-foot outdoor courtyard, and approximately 2,664 square feet of outdoor space in two accessible rooftop areas that will be available for passive outdoor activities but that are not counted toward LAMC requirements. Therefore, the proposed Project will provide generous outdoor and recreational amenities for the residents, including a total of 2,700 square feet of private open space on balconies, approximately 3,855 square feet of common open space in outdoor areas, and an 817 square-foot community room.

## K. The proposed Project would provide off-street parking for vehicles, reducing noise and congestion along adjacent streets.

Currently, existing residents of the Project Site park vehicles on limited on-site driveway areas and on neighborhood streets. There are currently five parking spaces on the Project Site, meaning that the majority of existing residents park their cars on the street. The proposed Project will provide code-required on-site

parking within one-level of subterranean parking. There will be 56 parking spaces provided in the subterranean garage with a single driveway along the Hobart Boulevard frontage providing all vehicular ingress and egress. This will reduce traffic on the narrower Serrano Avenue, since the Project would remove existing ingress/egress points on Serrano. As the subterranean parking garage would be entirely below grade and fully enclosed on all sides aside from the entrance driveway, the proposed Project would substantially improve parking conditions, and related noise conditions at and around the Project Site.

### L. The proposed Project will promote bicycle usage

The proposed Project will promote bicycle usage by providing 27 secure bicycle parking spaces in the Project's subterranean parking garage. This will promote alternative modes of travel to vehicle use.

### M. The proposed Project will provide enhanced landscaping

The proposed Project would incorporate enhanced landscape features that provide natural character and texture in an urban environment and enhance the visual character of a unified development by providing several landscape focal points. The Serrano Avenue streetscape, with a 49-foot setback for the new construction, will feature two restored bungalows surrounded with large planting areas over natural earth. Along the Serrano Avenue frontage, entry to units in the new construction will front on a large, landscaped courtyard. There will be a common "back yard" for both the Serrano and Hobart Buildings. The new construction along Hobart Boulevard will have a courtyard play area and the 25-foot front yard setback will support large-scale planting in natural earth. In addition, at least one 24-inch box shade tree will be planted in the public right of way on center, or in a pattern satisfactory to the Bureau of Street Maintenance, for every 20 feet of street frontage.

### N. The proposed Project will provide needed services for affordable housing tenants.

The proposed Project would provide free, on-site supportive services for residents, including English as a second language courses; GED classes; workshops on financial literacy, parenting, and healthy cooking; and youth programs, such as college mentoring. These services would expand economic opportunities for low- and moderate-income persons, in furtherance of the goals of the City of Los Angeles' Housing and Community Development 2013-2017 Consolidated Plan.

### 9. Mitigation Monitoring

The Mitigation Monitoring and Reporting Plan (MMRP) has been prepared in accordance with Public Resources Code Section 21081.6, which requires a Lead or Responsible Agency that approves or carries out a project where an EIR has identified significant environmental effects to adopt a "reporting or monitoring program for the changes to project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment." The City is the Lead Agency for the proposed project.

The MMRP is designed to monitor implementation of all feasible mitigation measures as identified in the EIR for the proposed project. The Project applicant shall be obligated to provide certification prior to the issuance of site or building plans that compliance with the required mitigation measures has been achieved. All departments listed are within

the City unless otherwise noted. The entity responsible for the implementation of all mitigation measures shall be the Project applicant unless otherwise noted.

### PUBLIC HEARING AND COMMUNICATIONS

The Public Hearing on this matter was held at Los Angeles City Hall, 200 North Spring Street, 10<sup>th</sup> Floor, Room 1020, Los Angeles, CA 90012 on Friday, March 27, 2015.

### **Summary of Public Hearing and Communications**

- 1. Present: Approximately 12 people signed in at the hearing.
- 2. Speakers: 9 members of the public provided testimony.
- 3. The applicant, the applicant's representative and the project architect spoke at the hearing and described the project design and entitlement requests.
- 4. Gary Benjamin, representative of Councilmember O'Farrell (Council District 13) was present and provided testimony that supported approval of the project.

### **Public Hearing Testimony Notes**

Representative from Council District 13

The representative provided testimony that recommended approval of the project because the project would provide needed affordable housing.

#### THREE SPEAKERS PROVIDED COMMENTS IN SUPPORT OF THE PROJECT:

- The project will provide needed affordable housing.
- The developer is a good community partner.
- The speaker struggles financially to live in the area; the project will help families like hers have a good living environment.
- Need more housing to accommodate neighborhood people, especially vulnerable and low-income people.
- The project integrates the bungalows into it; the other house should not be preserved because it will reduce the amount of affordable housing.

### SIX SPEAKERS PROVIDED COMMENTS IN OPPOSITION TO THE PROJECT:

- The project EIR is deficient because no Preservation Alternative was analyzed.
- The Hobart House should be retained because it is historically significant. It is a Pueblo Revival style which is very rare in Los Angeles. Even though it was turned down for Monument Status by the Cultural Heritage Commission it has many original windows and doors and was designed by a notable architect and is a rare example of his work. The Cultural Heritage Commission didn't tour the inside of the home with intact historic characteristics. ICF International did an initial review and felt there was a strong argument that the Hobart House is eligible for the National Register. The project could be reconfigured to save the house.
- Because the CRA provided initial funding, the CRA's own policies require the home to be preserved.
- During the Hollywood Community Plan update the area was to be downzoned to RD1.5.
- The Hobart House should be moved to a new site.

- Off-menu Density Bonus concessions or incentives cannot be contrary to State Law. The City Charter requires that the concessions or incentives be processed as Variances, not as Off-Menu Density Bonus. This project originally came in with Specific Plan Exceptions then changed their entitlement path to avoid more stringent review and to avoid appeals.
- A pro-forma has not been submitted, only a cost analysis.
- This project is taxpayer funded so why are density bonus incentives even necessary? It is an abuse of the system.
- Construction noise will cause negative impacts to nearby residents. Concerned about permanent hearing loss to self and other neighbors.
- Speaker did not feel project would be affordable for persons on Social Security or minimum wage.
- Speaker has worked in neighborhood for over ten years working to preserve historic resources that still exist. Demolishing the historic Hobart House will create significant impacts today and for future development.

### **Communications Received**

The Department received a significant amount of correspondence since the case was originally filed in 2010. Many of these letters repeat the same comments and are similar to the comments expressed in the public hearing.

### 27 LETTERS IN SUPPORT OF THE PROJECT AND 105 SUPPORT CARDS SIGNED BY COMMUNITY MEMBERS

- Project will provide much needed housing for area families. It will replace substandard housing with high quality affordable homes for large families.
- Project will provide construction related employment.
- Previous projects have consistently improved neighborhoods and have been catalytic developments. The developer has been very responsive to requests for additional information.
- Project will stimulate economic growth in the neighborhood.
- The design of the project is very attractive.
- The requested deviations from the regulations are appropriate.
- Relocating the bungalows to Serrano Avenue will contribute to the Serrano Avenue Bungalow District.

### 9 LETTERS IN OPPOSITION TO THE PROJECT

- Noise during the project's construction will be a substantial impact to the health of nearby residents. Cumulative impacts from construction noise will be significant and unavoidable.
- Hazardous materials will be released into the environment during construction.
- The applicant has not submitted a pro-forma as is required and has been requested. Relevant data must be submitted to conduct an economic analysis comparing the benefits of the entitlements and public funding provided to the project versus the loss of the existing 27 rent controlled units on-site.
- The Hobart House should not be demolished as it is eligible for the National Register of Historic Places according to a previous survey and ICF International.
- Project design is not consistent with adjacent development and mitigation measures are required.
- EIR did not analyze cumulative impact of providing reduced parking.

- The East Hollywood Neighborhood Council voted to oppose the project for the following reasons:
  - No pro-forma provided
  - Need data regarding economic analysis comparing benefits of entitlements provided versus loss of 27 existing units
  - o City Council funding and public statement of support for project are inappropriate and premature.
  - o Oppose demolition of the Hobart House as it is eligible for National Register of Historic Places
  - No preservation alternative provided in EIR

### **EXHIBIT A**

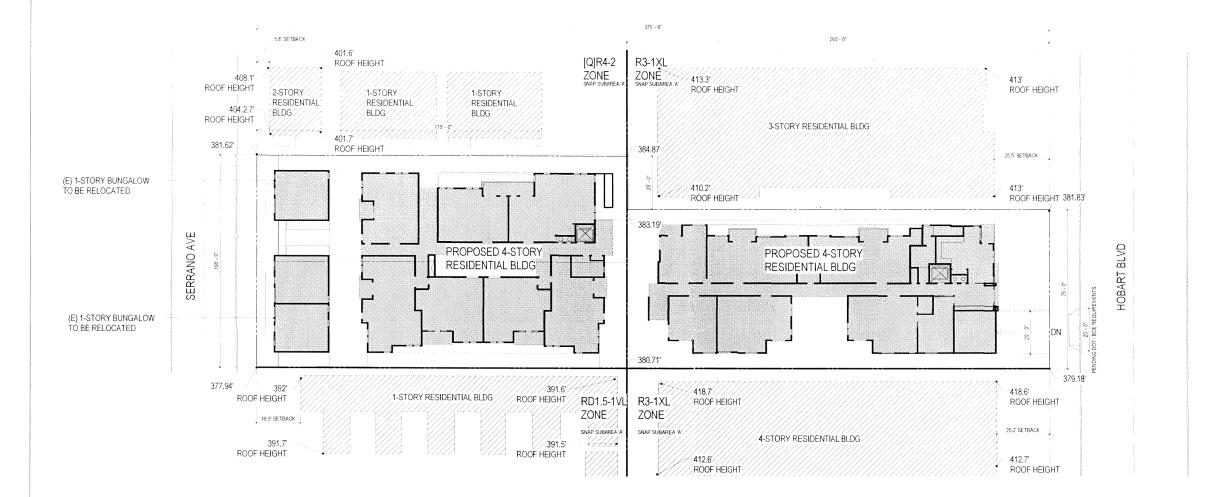
< 3 HABITABLE ROOMS = 160 SF OPEN SPACE PER UNIT = 3 HABITABLE ROOMS = 125 SF OPEN SPACE PER UNIT > 3 HABITABLE ROOMS = 175 SF OPEN SPACE PER UNIT

CPC-2010-1554-DB-SPR



1625 OLYMPIC BOULEVARD

SANTA MONICA, CA 90404 310.399.7975 KFALOSANGELES.COM



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CPC-2010-1554-DB-SPP

1600-1608 N. Serrano Ave. 1601-1605 N. Hobart Blvd.

-(4)

LEGAL DESCRIPTION VICINITY MAP PROJECT INFORMATION PROJECT NAME: CORONEL APARTMENTS PROPOSED HEIGHT: 45 - 0" (4 STORIES) BICYCLE PARKING REQUIRED: 54 HABITABLE ROOMS: LEGAL DESCRIPTION: SERRANO
1-BORM 10 UNITS (0 HABITABLE ROOMS)
2-BORM 14 UNITS (42 HABITABLE ROOMS)
3-BORM 10 UNITS (40 HABITABLE ROOMS)
1-BORM 9 UNITS (18 HABITABLE ROOMS)
2-BORM 10 UNITS (94 HABITABLE ROOMS)
3-BORM 8 UNITS (94 HABITABLE ROOMS)
8-BURCH 10 UNITS (94 HABITABLE ROOMS) HOBART SITE
ALL THAT CERTAIN REAL PROPERTY IN THE COUNTY OF LOS ANGELES. STATE OF
CALIFORNIA DESCRIBED AS FOLLOWS FLOOR AREA: BICYCLE PARKING PROVIDED: OPEN SPACE REQUIRED: HOLLYWOOD COMMUNITY HOUSING CORPORATION 5029 SANTA MONICA BOULEVARD LOS ANGELES, CA 90929 0 1-BDRM X 100 SF/UNIT = 0 SF 14 2-BDRM X 125 SF/UNIT = 1750 SF 10 3-BDRM X 175 SF/UNIT = 1750 SF SERRANO LOT 16 OF THE FERRY TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES STATE OF CALIFORNIA, AS PER MAP RECORDED ON BOOK 7, PAGE 197 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. HOBART: 1.32 SERRANO: 1.55 AVERAGE: 1.42 9 1-BDRM X 100 SF/UNIT = 900 SF 10 2-BDRM X 125 SF/UNIT = 1250 SF 8 3-BDRM X 175 SF/UNIT = 1400 SF PROJECT DESCRIPTION: 54 UNIT AFFORDABLE MULTI-FAMILY HOUSING IN FOUR SEPARATE ABOVE GRADE STRUCTURES BUNGALOW 1 1-BDRM 1 UNIT (2 HABITABLE ROOMS) APN: 5544-019-025 32,540 SF / 800 SF = 40 35% DENSITY BONUS = 54 MAX UNIT COUNT ALLOWED: BUNGALOW 2 1-BORM 2 UNITS (4 HABITABLE ROOMS) CONSTRUCTION TYPE: 4-STORIES OF TYPE VIOVER 1 STORY TYPE I SERRANO SITE ALL THAT CERTAIN REAL PROPERTY IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS: PROPOSED UNIT COUNT 1 1-BORM X 100 SE/UNIT = 100 SE BUNGALOW 1 SERRANO: TOTAL: 27 UNITS 54 UNITS 2 1-BORM X 100 SF/UNIT = 200 SF BUNGALOW 2: TOTAL 168 HABITABLE ROOMS PARCEL 1
THE SOUTH 50 FEET OF LOT 17 OF THE FERRY TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORMA, AS PER MAP RECORDED IN BOOK 7 PAGE 197 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, 18 UNITS 24 UNITS 12 UNITS SPECIFIC PLAN: STATION NEIGHBORHOOD AREA PLAN (SNAP) PROPOSED UNIT MIX: TOTAL REQUIRED: LEGEND LOT AREA: SERRANO. 17,523,0 SF OPEN SPACE PROVIDED: HOBART 15,017.8 SF TOTAL 32,540.8 SF (51 X 50 SE PRIVATE OPEN SPACE) + (4001 SF COMMON OPEN SPACE) + (801 SE COMMUNITY ROOM) = 7352 SE PARCEL 2.
THE NORTH 25 FEET OF LOT 17 AND ALL OF LOT 18 OF THE FERRY TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 7 FAGE 1970 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, EXCEPT FROM SAID LOT 18. THE NORTH 55 FEET. (E) BUILDING TO BE DEMOLISHED 53 STALLS (AFFORDABLE UNITS PARKING REQUIRED: HIGHWAY DEDICATION: NONE ≈ 56 STALLS HABITABLE ROOMS PER LAMC: (E) BUILDING TO BE RELOCATED 1 - BDRM = 2 HABITABLE ROOMS 2 - BDRM = 3 HABITABLE ROOMS 3 - BDRM = 4 HABITABLE ROOMS 8'-0" FRONTYARD AT SERRAND PER SNAP 25'-0" BUILDING LINE AT HOBART PER LAMC 7'-0" SIDEYARD PER LAMC 15'-0" REAR YARD PER LAMC STANDARD 34 STALLS
COMPACT. 21 STALLS
TANDEM: 1 STALLS
TOTAL, 56 STALLS (39.3% COMPACT) SETBACKS: PARKING PROVIDED: APN: 5544-019-001 PROPOSED NEW BUILDING

OCCUPANCY TYPE: R-2 RESIDENTIAL AND S-3 PARKING

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### PLANNING SUBMITTAL

10008

4.20.2015

PLOT PLAN

A001

EXISTING BUILDING ON ADJACENT PROPERTY



OPEN SPACE
CALCULATIONS

Reflywood Community Housing Corp. 5020 W. Santa Manica Blud Los Angeles, CA 90029

CORONEL APTS
CASE # ENV-2012-110-EIR
1600-1608 N, SERRANO AVE / 1601-1605 N, HOBART BLVD
LOS ANGELES CA 90027

1625 OLYMPIC BOULEVARD SANTA MONICA, CA SO404 310.393.7975 KFALDSANGFLES.COM



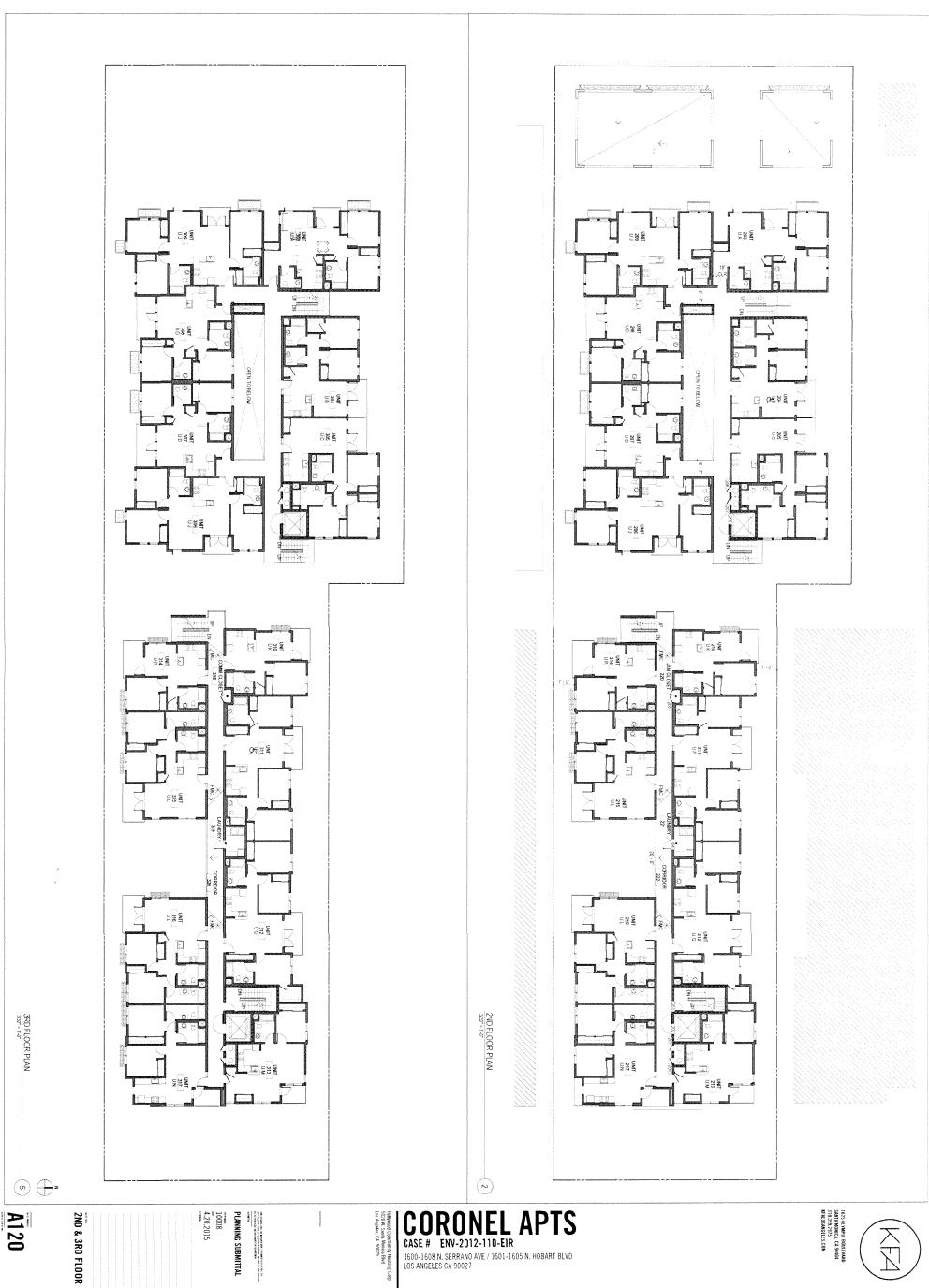


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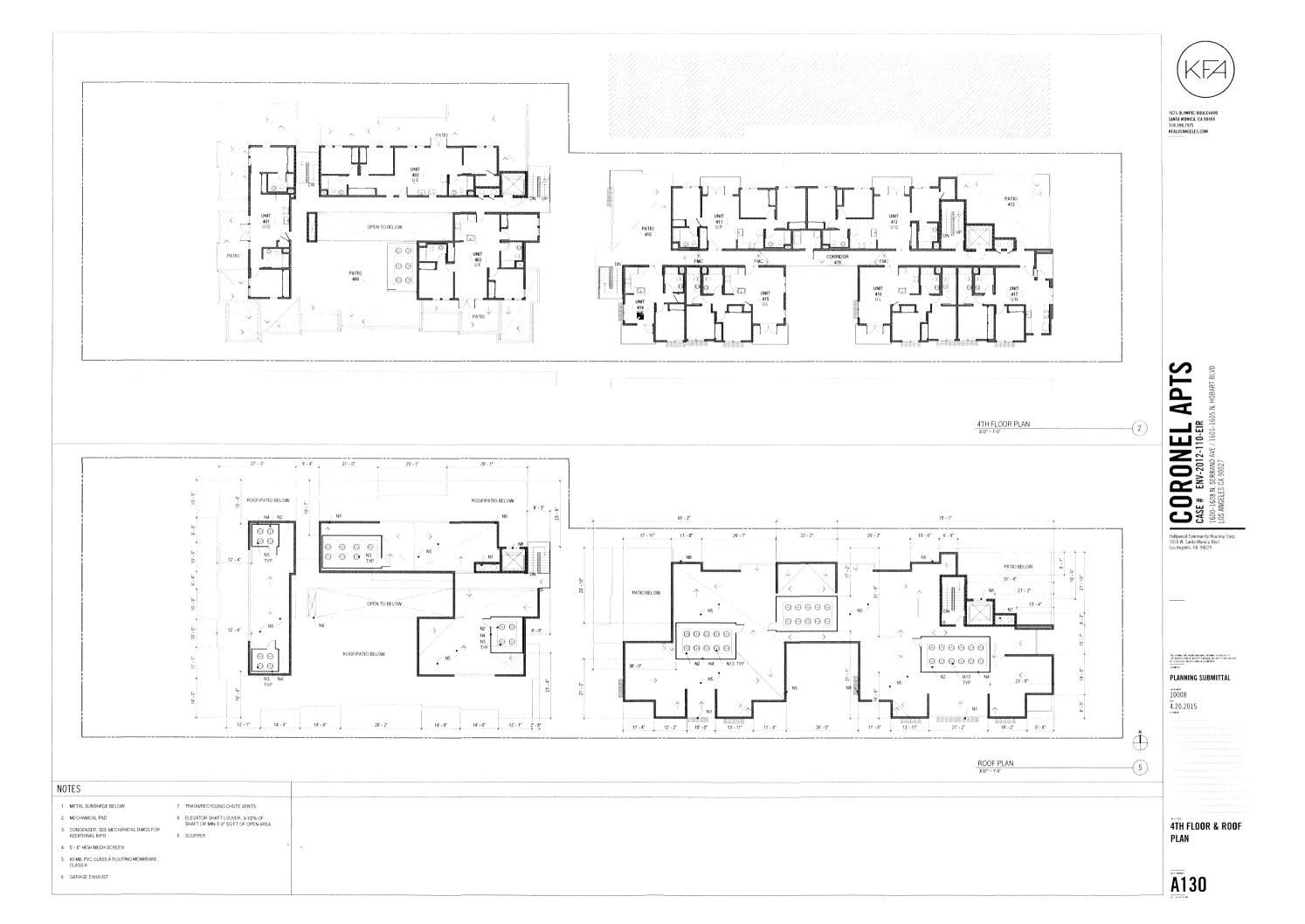


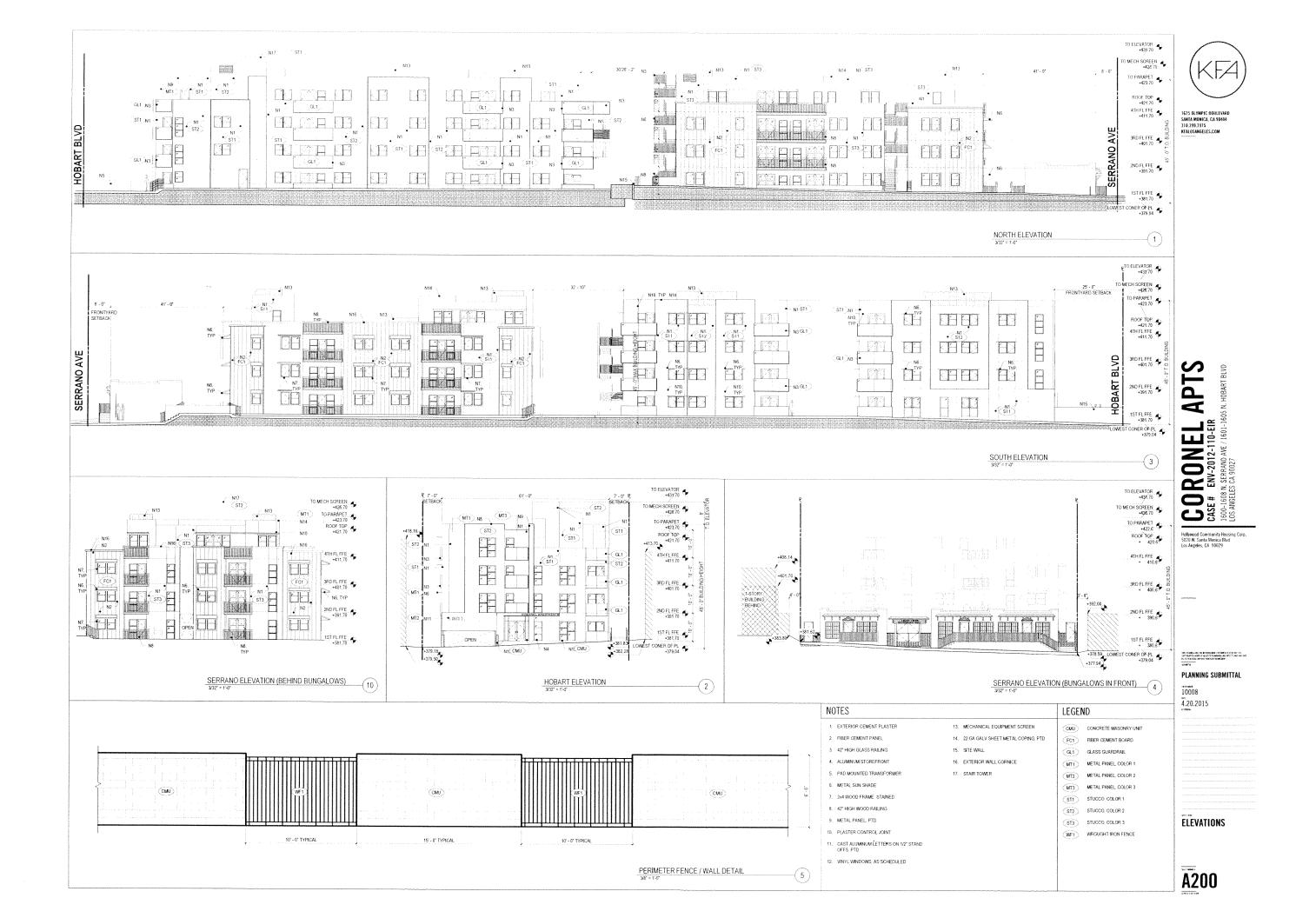


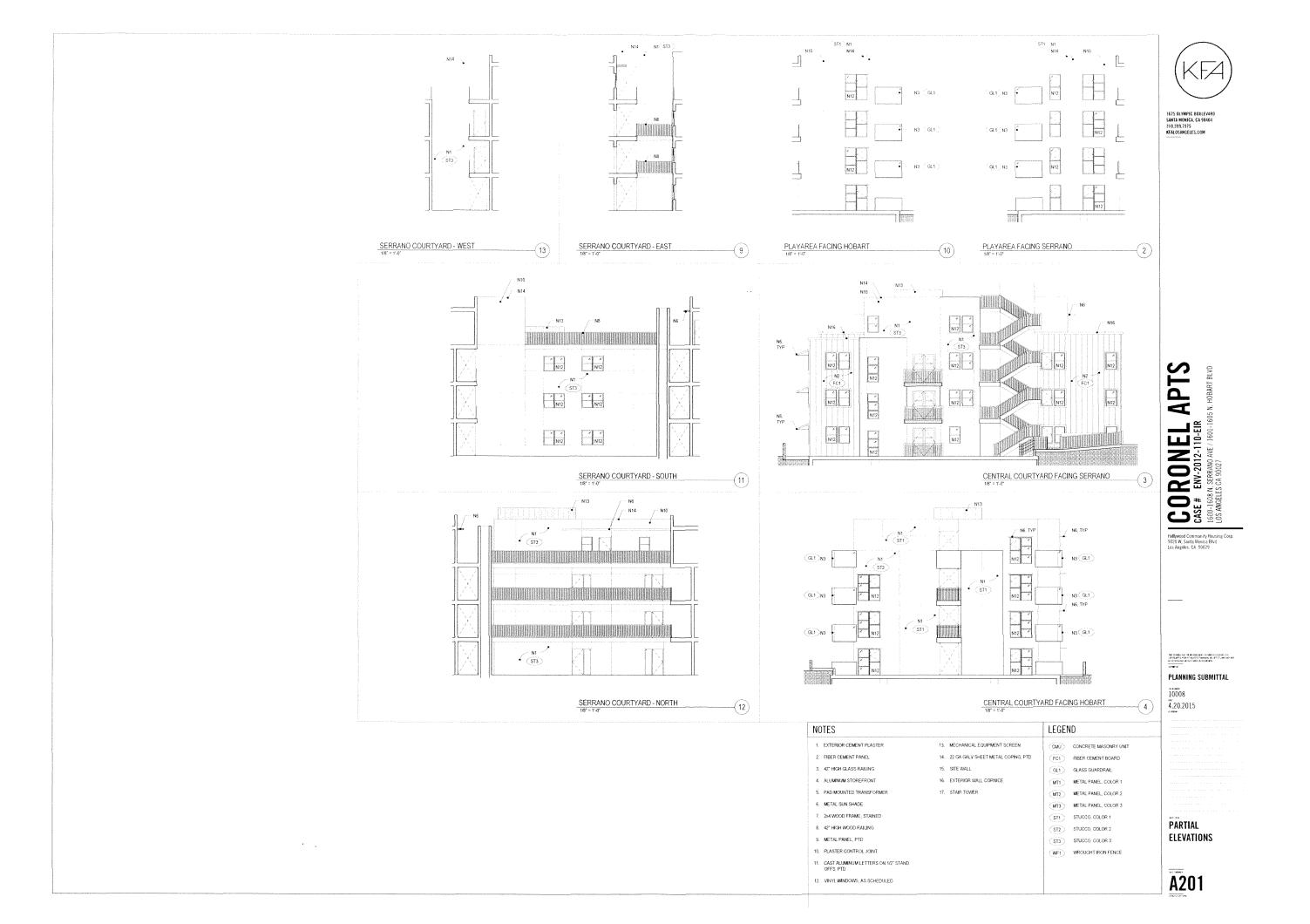


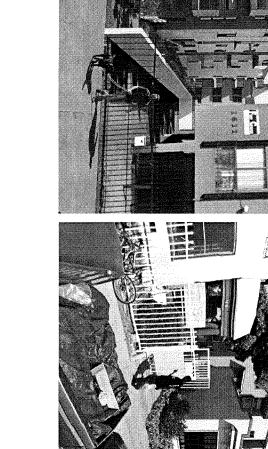




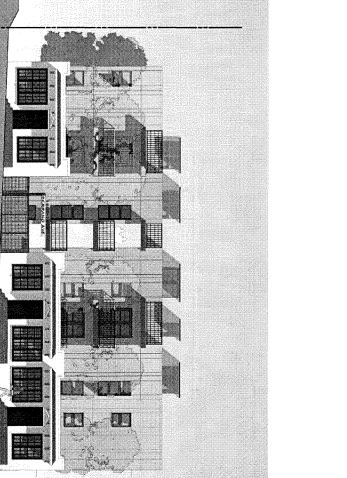




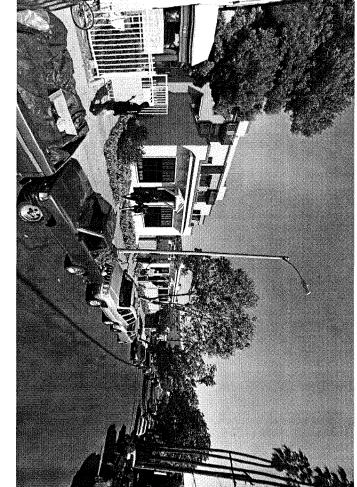


















**A203** 

MINDOM STUDIES

4.20.2015 10008

PLANNING SUBMITTAL

CORONEL APTS
CASE # ENV-2012-110-EIR
1500-1508 N. SERRANO AVE / 1501-1505 N. HOBART BLVD
LOS ANGELES CA 90027

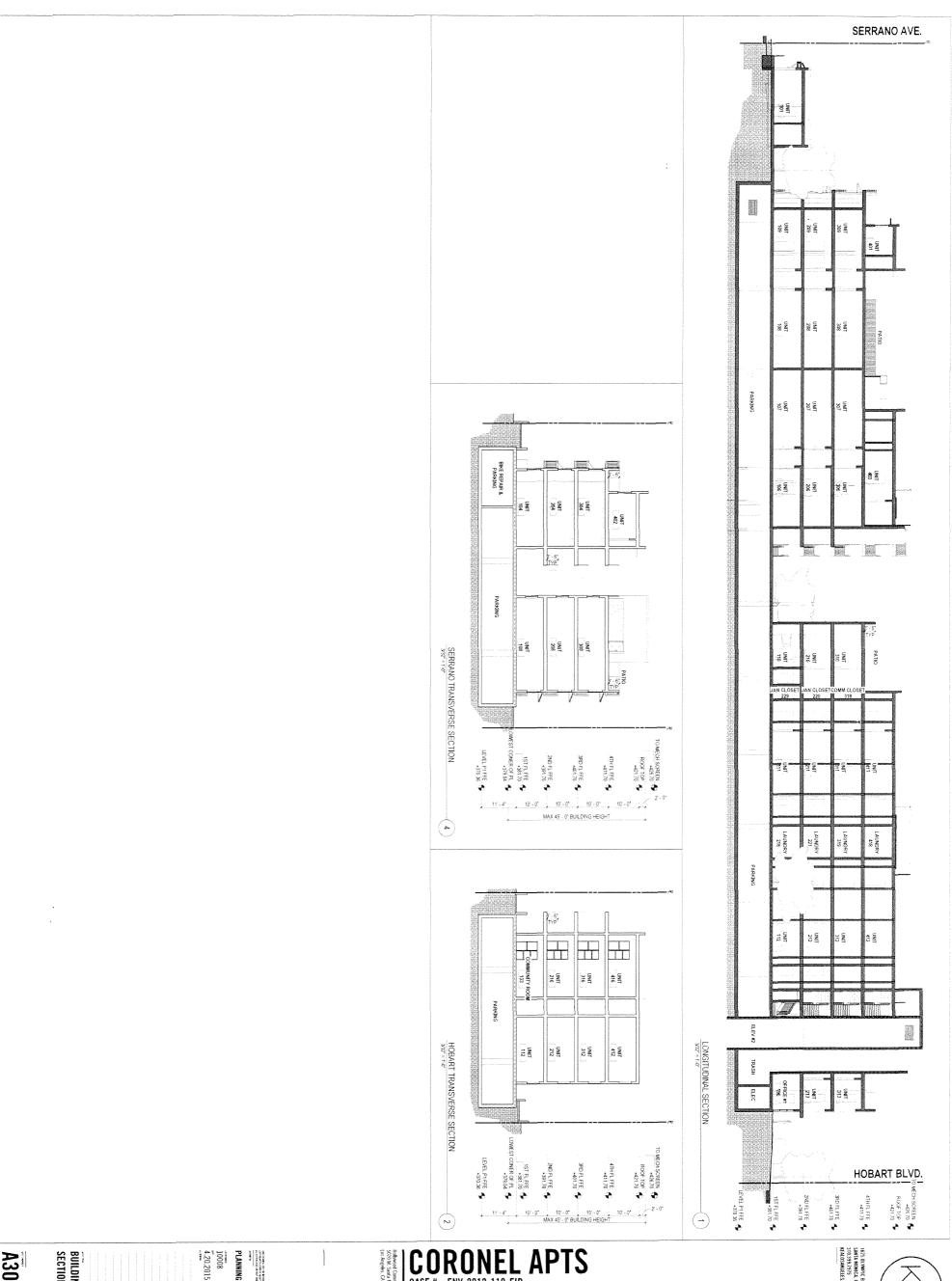
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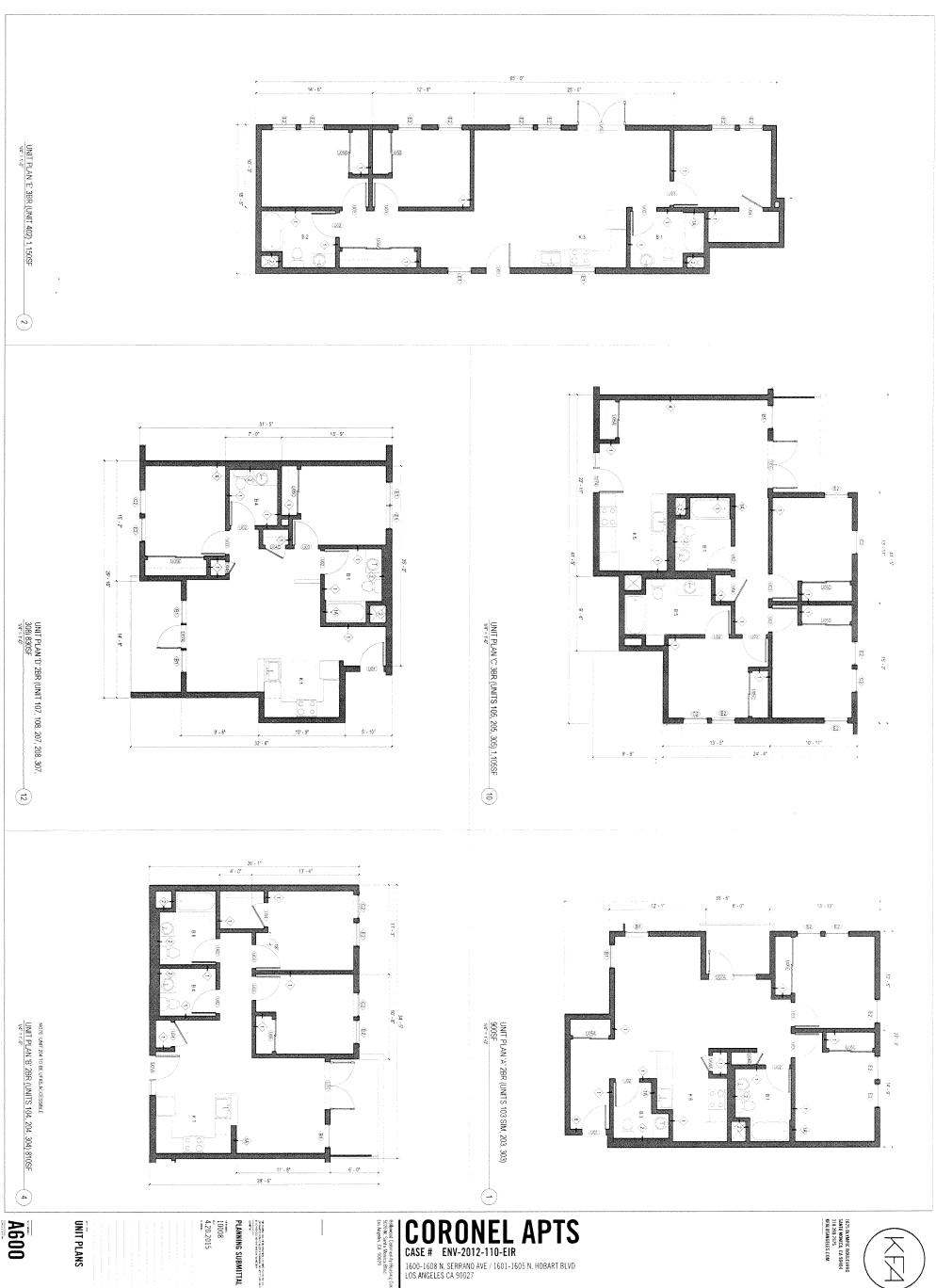
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BUILDING

THE PLANNING SUBMITTAL 10008

CORONEL APTS
CASE # ENV-2012-110-EIR
1600-1608 N. SERRANO AVE / 1601-1605 N. HOBART BLVD
LOS ANGELES CA 90027



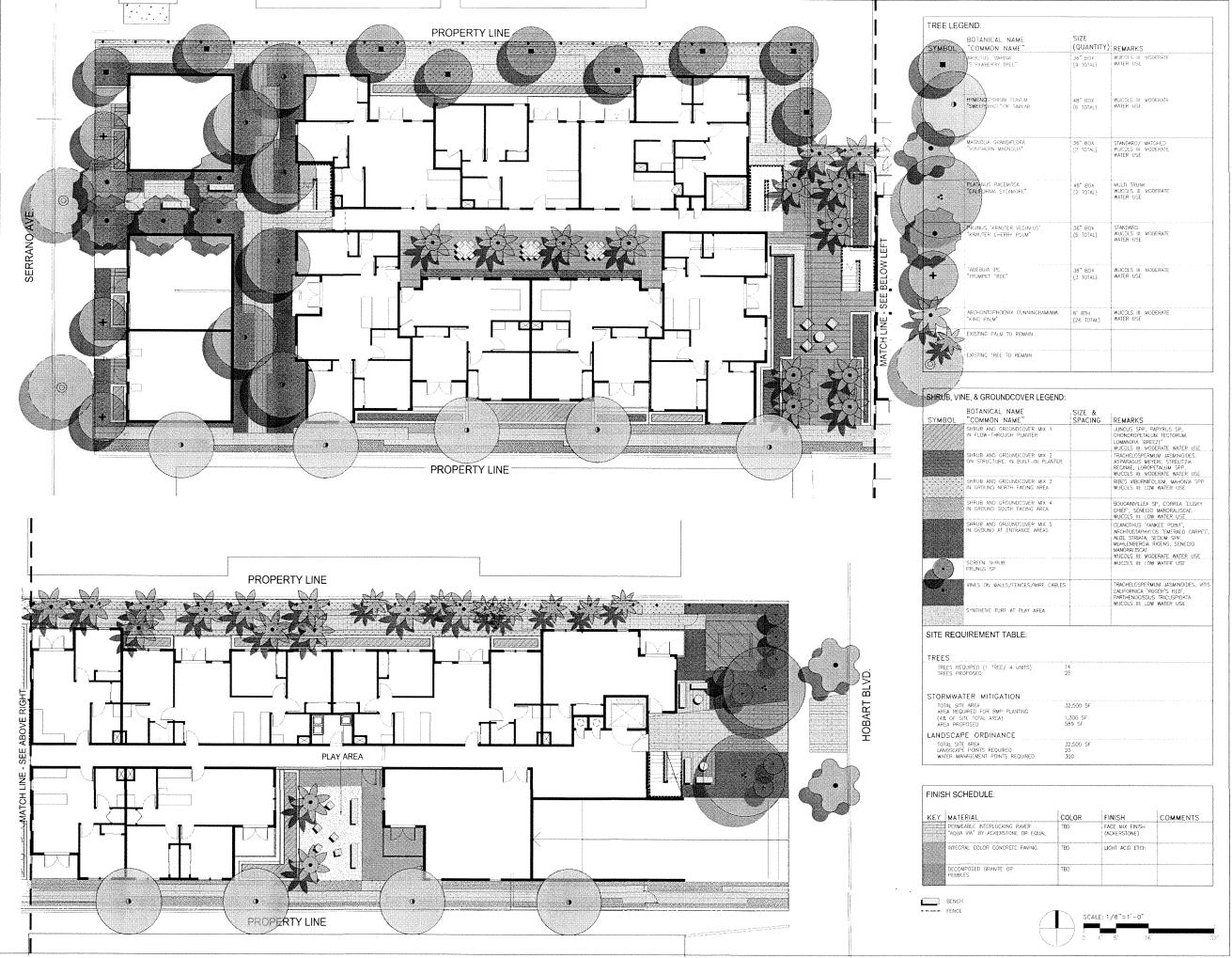












CORONEL APARTMENTS

Hollywood Community Housing Corporation 5020 W. Santa Monica Bivd Los Angeles, CA 90029

AHBE
LANDSCAPE ARCHITECTS
8729 WASHINGTON BOULEVARD

8729 WASHINGTON BOULEVARI CULVER CITY, CALIFORNIA 9023: T: 310,838,0448 F: 310,204,266



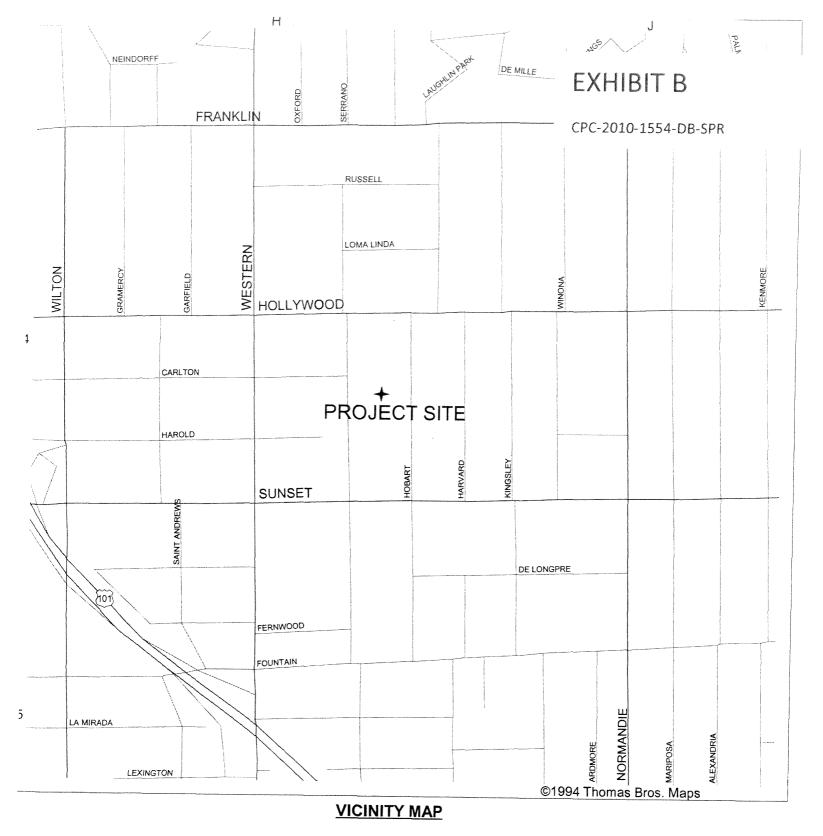
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10008
\*CONCEPT DESIGN

05/04/2010

SEE PLAN

CONCEPTUAL LANDSCAPE PLAN DOTTORION LOOO



SITE: 1601 N. HOBART BLVD.

APCC 2010 1554

BROWN/MESHUL INC. 11835 W. OLYMPIC BLVD., SUITE 285 LOS ANGELES, CA. 90064-5001 (310) 473-7424



# LOS ANGELES CITY PLANNING COMMISSION

200 N. Spring Street, Room 272, Los Angeles, California, 90012, (213) 978-1300 www.lacity.org/PLN/index.htm

CASE: CPC-2010-1554-DB-SPP

CEQA: ENV-2012-110-EIR, SCH#2012031014

The Environmental Impact Report can be found on the City Planning website at Planning.LACity.org. Click on "Environmental" followed by "Final EIR" then scroll and click on "Coronel Apartment Project".

# **EXHIBIT D**



CPC-2010-1554-DB-SPR

# Hollywood Community Housing Corporation

November 18, 2014

Board of Directors

Kyle Arndt President

Karen Diehl Vice President

Jerold B. Neuman Secretary

Ira Dankberg Michael G. Okamura Bonnie Tseng Maria Joyce Maynard Lois Starr Glynn Turman

Executive Director
William F. Harris

Ms. Monique Acosta City of Los Angeles Department of City Planning 200 N. Spring Street, Room 621 Los Angeles, CA 90012

Re: Coronel Apartments: Cost Analysis and Justification for Entitlements

(1600 – 1608 N. Serrano Ave. and 1601 N. Hobart Blvd. Los Angeles, CA 90027

CPC-2010-1554-DB-SPP; ENV-2012-110-EIR)

Dear Ms. Acosta,

We are the applicants for the Coronel Apartments Project ("Project"), a proposed 54-unit affordable housing development that will provide 53 units to low-income individuals and families, and one unrestricted unit for the resident manager. The Project will include the rehabilitation of two existing bungalows built in the 1920s and the construction of two four-story buildings over one subterranean parking level.

The proposed Project is seeking a Density Bonus approval pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22.A25, and Project Permit Compliance approval under the Vermont/Western Transit Oriented District Specific Plan ("SNAP"), pursuant to LAMC Section 11.5.7C. The Density Bonus request includes one (1) On Menu Incentive and five (5) Off Menu Incentives in conformance with LAMC Section 12.22.A25(g)(3) and Government Code Section 65915.

Pursuant to LAMC Section 12.22.A25(g)(3)(i)a, applications for Density Bonus approval seeking Off Menu Incentives "shall include a pro forma or other documentation to show that the waiver or modification of any development standard(s) are needed in order to make the Restricted Affordable Units economically feasible." In accordance with this requirement, we have enclosed an analysis demonstrating that the Off Menu Incentives being requested are necessary to make the proposed Project economically feasible.

As shown in the enclosed documents, we have quantified and compared the total project cost of constructing: (1) the proposed Project; and (2) an alternative project that does not require Off Menu Incentives, but will utilize three On Menu Incentives ("Alternative Project"). This analysis shows that the Off Menu Incentives are necessary to make the proposed Project economically feasible and to support the City's housing policy priorities.

The proposed Project would contain 54 units and would cost approximately \$25,940,885 to develop. The Alternative Project would contain only 45 units and would cost approximately



# Hollywood Community Housing Corporation

\$31,949,494 to develop. The Alternative Project would provide 20% fewer affordable units at a total cost that is approximately 23% more than the proposed Project.

There are significant challenges presented by building fewer units for more money. In addition to having to secure additional, highly competitive funds to fill the financing gap, the Alternative Project would not be able to secure low-income housing tax credits (LIHTC), which are the primary source of funding for affordable housing projects in California. As described below, the Alternative Project could not secure LIHTCs because the Alternative Project would receive a "high cost" designation by the California Tax Credit Allocation Committee ("TCAC").

As shown in Attachment 1, the total eligible basis of the Alternative Project exceeds the total adjusted threshold basis by nearly 67%. Pursuant to California Code of Regulations, Title 4, Section 10325(d), a "project would be designated 'high cost' if a project's total eligible basis exceeds its total adjusted threshold basis limits by 30%." (See Attachment 1 for definition and calculation). Per Section 10325(d), a project deemed "high cost" would not be recommended for LIHTC. While a project sponsor (in this case, the City of Los Angeles) may petition TCAC for a credit award, they must also explain why awarding credits would be sound public policy in spite of costs that result in a "high cost" designation. According to Rushmore Cervantes, General Manager of the Los Angeles Housing and Community Investment Department (HCID) who reviewed the costs of the Alternative Project, "Given the competitiveness of tax credit allocations, and the limited availability of public funds, such a high cost project could not be supported by HCID."

The proposed Project is dependent on an LIHTC allocation for several reasons. For one, sources for affordable housing are scarce, and lenders expect developers to leverage funds to the greatest degree possible. Currently, state and federal LIHTC are the largest leveraged funding source in California. While additional mechanisms and funding sources do exist, corresponding finance programs that allow these sources to be used are currently unfunded (e.g. tax-exempt bond financing paired with HOME or MHP funds). Second, since rents for affordable units are far below market rate, operating income from most affordable housing projects is insufficient to service "hard" debt in the form of a first mortgage. By incentivizing private investment in affordable housing over a 15 year period, LIHTC are one of the most effective ways to minimize projects' reliance on "hard" debt. This fact, coupled with TCAC's rigorous construction and sustainability regulations that reduce ongoing maintenance costs, allow for the proposed Project to serve low- and very low-income households while remaining economically feasible.

In addition to the increased financial costs associated with the Alternative Project, the loss of 9 affordable residential dwelling units that would occur in the absence of the Project's requested Off Menu Incentives is at odds with the City's affordable housing goals. The Los Angeles Housing Element (2013-2021) states that the provision of affordable housing is one of the City's highest priorities. The Project, as proposed, better supports this priority than a smaller, more costly Alternative Project that would provide fewer units of transit-oriented affordable housing in a walkable neighborhood.



# Hollywood Community Housing Corporation

Thank you for considering our enclosed analysis. If you have any questions about this submittal, please contact Maura Johnson, Housing Director, at <a href="mailto:mjohnson@hollywoodhousing.org">mjohnson@hollywoodhousing.org</a>.

Sincerely,

William F. Harris

**Executive Director** 

### Attachments:

- 1. Cost Comparison Alternative vs. Proposed Project
- 2. Explanation of Alternative Project Assumptions
- 3. Errata to the Final EIR (containing complete list of entitlement requests)
- 4. Letter from HCID

# Attachment 1 COST COMPARISON – ALTERNATIVE VS. PROPOSED PROJECT

	Alternative Project	Proposed Project
Uses of Funds		
i. Acquisition and "Soft" Development Costs (Land, Design, Permits, Entitlements)	\$11,698,725	\$10,461,958
ii. Construction ("Hard") Costs	\$20,250,769	\$15,478,927
Total Uses	\$31,949,494	\$25,940,885
(Difference)	(\$6,008,609)	
TCAC High Cost Test		
a) Total Eligible Basis¹	\$25,779,889	\$19,844,448
b) Total Adjusted Threshold Basis <sup>2</sup>	\$15,465,485	\$18,584,781
a) / b)	166.69%	106.78%

The cost of the following categories changes in the Alternative Project scenario:

### i. Acquisition and Development Costs

- Increased architectural fees to design three new buildings. Total fees would increase
  despite the reduced number of units. The estimate presented in the cost comparison table
  above accounts for the amount already spent to date on the architectural contract for the
  Proposed Project. The Alternative Project would require that the architect re-start the
  design process from the beginning.
- Increased deputy inspection fees for three buildings.
- Increased sustainability consultant and certification fees for three buildings. Note that nonprofit affordable developers are held to strict sustainability standards by public funders, and this cost would be equally assessed across the three buildings.
- Increased cost of signage and furnishings for community spaces for three buildings.
- Increased construction loan fees and interest due to increase in loan principal amount to cover the increase in total project cost.

### ii. Construction Costs

<sup>&</sup>lt;sup>1</sup> "Eligible basis" is the amount of all depreciable development costs that may be included in the calculation of housing tax credits. These include all "hard" costs, such as construction costs, and most depreciable "soft" costs, such as architectural and engineering costs, soil tests, and utility connection fees. Non-depreciable costs such acquisition costs for land, marketing and permanent financing costs are excluded from eligible basis. <a href="https://www.portal.hud.gov">www.portal.hud.gov</a>

<sup>&</sup>lt;sup>2</sup> Total Adjusted Threshold Basis Limit is based on the TCAC 2014 Threshold Basis Limits for LA County of \$164,507 per studio unit, \$189,675 per one-bedroom unit, \$228,800 per two-bedroom unit, \$292,864 per three-bedroom unit and \$326,269 per four or more bedroom unit. <a href="http://www.treasurer.ca.gov/ctcac/2014/threshold.pdf">http://www.treasurer.ca.gov/ctcac/2014/threshold.pdf</a>. The Threshold Basis Limit can receive upward adjustments in certain cases: Prevailing Wage (20%), Parking constructed beneath building (7%), child care facilities with programs (2%), 100% special needs units (2%), Elevator service to 95% of upper floor units (10%) – above increases limited to 39% total—and Energy/Resource Efficiency/Air Quality (up to 10%). <a href="https://file.lacounty.gov/dmh/cms1">http://file.lacounty.gov/dmh/cms1</a> 181001.pdf

The construction cost increases significantly because the Alternative Project would require the new construction of three separate buildings, with three separate subterranean garages. This would increase costs for excavation, shoring, concrete, rebar and waterproofing. It would require additional foundation square footage and significantly increase the number of foundation walls, which are very expensive to build, and would also require shoring and tie-backs.

Additionally, it is more expensive to construct the Alternative Project (which will provide fewer affordable housing units) due to the additional labor, coordination and supervision required to maintain the schedule of three separate buildings. Several major trades would require a significant increase in labor and supervision costs. Based on historical experience, and consultation with industry peers, including independent contractors, sub-contractors and architects, impacted trades include concrete, masonry, carpentry, roofing, lath and plaster, drywall, flooring, painting, plumbing, grading and shoring.

# Attachment 2 EXPLANATION OF ALTERNATIVE PROJECT ASSUMPTIONS

### I. ALTERNATIVE PROJECT DESCRIPTION

The Alternative Project was developed for this analysis by assessing potential design configurations that would maximize the number of affordable housing units on the Project site without the requested "Off Menu Incentives" pursuant to LAMC Section 12.22.A25(g)3. Following the methodology and based on the analysis provided below, the Alternative Project would not seek an exception from the SNAP to permit more than two lots to be tied together exceeding the maximum 15,000 square feet of lot area otherwise permitted. As a result, the Alternative Project would be developed as three separate buildings on the Project site's three parcels: 1600-1604 N. Serrano Ave., 1606-1608 N. Serrano Ave. and 1601 N. Hobart Blvd. Each apartment building would comply with the building setbacks and open space requirements as specified by the LAMC. Two new three-story buildings with 10 units each would be built at 1600-1608 N. Serrano Ave. One four-story 25 unit building would be built at 1601 N. Hobart Blvd.

### II. METHODOLOGY

### A. Removal of Off-Menu Incentives

For the Alternative Project, we would not seek any of the following "Off Menu Incentives" pursuant to LAMC Section 12.22.A25(g)3:

- i. Waiver or Modification of SNAP Section 7.A (Residentially Zoned Properties), to permit more than two lots to be tied together;
- ii. Waiver or Modification of SNAP Section 7.D (Transitional Height), to permit a building that is approximately 33 feet greater in height than the height of the shortest existing building on any adjacent lot in lieu of the permitted 15 feet;
- iii. Waiver or Modification of SNAP Guidelines Section 7.1, IV.3 (Development Standards) Usable Open Space, to permit an open space dimension reduction;
- iv. Waiver or Modification of SNAP Section 7.1, IV.14 (Development Standards) Privacy, to permit windows facing windows across property lines or facing private outdoor space;
- v. Waiver or Modification of LAMC Section 12.21C5(h), to permit open space in a more restrictive zone (R3) to serve a main residential use in a less restrictive zone ([Q]R4-2); nor
- vi. Waiver or Modification of LAMC Section 12.21.1A.1, to permit a building height of 45 ft. in lieu of the maximum 30 feet permitted in Height District No. 1XL.

## B. Addition of On-Menu Incentives

Per LAMC Section 12.22.A25, the Alternative Project would qualify for a Density Bonus and would be eligible for a number of non-discretionary On Menu Incentives. We would request the following three On Menu Incentives:

- LAMC Section 12.22.A25(f)(1) One yard decrease of up to 20%;
- LAMC Section 12.22.A25(f)(5)(i) Maximum height increase of 11 additional feet; and
- LAMC Section 12.22.A25(f)(6) Maximum 20% decrease from existing open space requirement.

### III. ANALYSIS RESULTS

### A. Design Impacts

By no longer pursuing Off Menu Incentives, the Alternative Project would require physical design changes, impacting both cost and design quality.

Without Off Menu Incentives, physical design changes would include but not be limited to:

Off Menu Incentives requested for Proposed Project		Impact of Removal of Off Menu Incentives on Physical Design	
ì.	Waiver or Modification of SNAP Section 7.A (Residentially Zoned Properties) – Lot Ties	Removal of this off-menu incentive would require the site to be developed as three separate projects / buildings, with three separate parking garages. This reduces building square footage and increases construction costs due to increased excavation, shoring, concrete, rebar and waterproofing. Furthermore, additional labor, coordination and supervision would be required to maintain the schedule of three separate buildings.	
ii.	Waiver or Modification of SNAP Section 7.D Transitional Height (Serrano Property)	Removal of this off-menu incentive would require seeking an On Menu Incentive for a height increase on the Serrano Property. The height incentive would be reduced to 11 feet, per the LAMC Section 12.22.A25(f)(5)(i) On Menu Incentive. The SNAP transitional height limit is 27 feet on the Serrano Property, however, with the addition of 11 feet per the On Menu Height Incentive, the allowable height increases to 38 feet on the Serrano Property. As a result, the building height would be reduced from a total height of 45 feet (or 4 stories) as designed, to a total height of 38 feet on the Serrano Property.  The SNAP transitional height limit is 46.5 feet on the Hobart	
		property. Therefore, removing the SNAP transitional height limit would not affect the Hobart property.	
iii.	Waiver or Modification of SNAP Guidelines Section IV.3 Usable Open Space	Removal of this off-menu incentive would require all open space to have a minimum dimension of 20 feet, as opposed to 15 feet as designed. To accommodate this increase, the bungalows that are proposed to be retained under the Project would be eliminated from the design, and the new construction building would be stepped up to the permitted 15 foot setback on Serrano Ave. to allow for rear yards with a minimum dimension of 20 feet. Removal of this incentive would diminish the quality of the frontage on Serrano Ave. and the quality of the open space. Open space would include only rear yards, as opposed to varied open spaces including courtyards, as originally designed.	
iv.	Waiver or Modification of SNAP Section IV.14 Privacy	Removal of this off-menu incentive would require further project redesign and possible removal of units in order to avoid windows facing other windows.	
٧.	Waiver or Modification of LAMC Section 12.21C5(h) Open space sharing due to lot tie	Due to the fact that the Project would need to be built in three separate buildings, lot ties would not be necessary because components of the Project would not straddle multiple lots.  Therefore, this incentive would no longer be necessary.	
vi.	Waiver or Modification of LAMC Section 12.21.1A.1 Building Height	Removal of this off-menu incentive would require lowering the maximum building height on the Hobart property. The LAMC Section 12.21.1A.1 height limit for the Hobart property is 30 feet. However with the addition of 11 feet per the On Menu Height Incentive, the	

(Hobart Property)	allowable height on the Hobart property increases to 41 feet.
	Removal of this incentive would not affect the Serrano property, which is limited by the SNAP transitional height limit, as described in
	Row ii, above.

i. Physical design changes with a quantifiable cost impact would include but not be limited to:

Design Changes with Cost Impact	Alternative Project	Proposed Project
Number of residential units	45	54
Number of subterranean garages	3	1
Increased shoring to accommodate lot-line to lot-line	Yes	No
garage excavation		
75% additional linear feel of perimeter walls in	Yes	No
subterranean garages		
Increased excavation and complexity of	Yes	No
shoring/configuration		
Number of transformers and other utility connections	3	1
Number of trash chutes and trash rooms	3	2
Number of building Mechanical, Electrical and Plumbing	3	1
systems		
Number of stairways	6	4
Number of indoor community space, including	3	1
community rooms and lobbies		
Number of laundry facilities	3	2

ii. Design quality impacts (unquantifiable in terms of dollars) would include but not be limited to:

Design Quality	Alternative Project	Proposed Project
Disposition of two existing 1920s bungalows	No retained and rehabilitated bungalows.	Two one-story rehabilitated bungalows on Serrano Ave. work to tie Project into neighborhood character.
Frontage height along Serrano Ave.	Two three-story new construction buildings with 8-foot setback.	Two one-story rehabilitated bungalows with 41-foot new construction setback
Setback along Hobart Blvd.	Setback reduced to 20-feet, which would reduce the quality of the Hobart Blvd streetscape.	25-foot setback on Hobart Blvd.
Massing	Three story mass, built to setbacks.	Stepped massing, articulated building with courtyards
Open space	Total open space: approximately 6,255 SF. Quality of open space is diminished. Rear yards only, no courtyards, with less greenery and open space. Roof decks	Total open space: approximately 10,575 SF. Varied, multiple open spaces, including potential roof deck.

	not possible with massing.	
Number of windows on Hobart Building	To comply with SNAP Privacy (windows facing windows) requirement, the Alternative Project would likely eliminate 14 windows on the south side and 11 on the north side, or 25 total.	Optimal fenestration / light for room size and furnishing at the interior.
Number of driveways	One driveway on Hobart Blvd. and two driveways on narrow Serrano Ave.	One driveway on Hobart Blvd. and no driveways on Serrano Ave.
Feeling of community among building residents	Loss of sense of community – three separate buildings with no connecting walkway.	Enhanced sense of community— The new construction building and two rehabilitated bungalows will be connected by a pedestrian walkway.
Sense of arrival and pedestrian orientation	Loss of sense of arrival and pedestrian orientation. Apartment building lobbies only.	Enhanced sense of arrival and pedestrian orientation. Bungalow court entry on Serrano Ave.
Side yard	More linear feet of side yard "canyons" between Serrano lots that can't be utilized. 350 linear feet gutter side yard dividing Serrano lots.	Due to lot ties, side yards dividing the Serrano lots are not required. This allows room for a pathway to inner courtyard, accessible from bungalows on Serrano Ave.
Corridor at Hobart Blvd.	Long interior corridor with no natural light.	Courtyard located at midpoint of corridor.
Corridor at Serrano Ave.	Motel-like, side yard open air corridor.	Interior circulation courtyard at Serrano Ave.

### ERRATA TO THE FINAL EIR

#### INTRODUCTION

The City of Los Angeles (City) has prepared this Errata sheet to clarify and correct information as presented in the Final Environmental Impact Report (Final EIR or FEIR) for the Coronel Apartment Project (or Project). This Errata sheet includes minor edits and clarifications associated with the Applicant's discretionary entitlement requests for the Project. These changes make corrections to and clarify the LAMC sections and subsections in which the Applicant is requesting its entitlements but does not in any way present material changes to the Project as previously proposed and analyzed in the EIR. Each of the discretionary requests identified herein were previously identified on pages II-20 and II-21 in the Draft EIR (see Section II.D, Project Description/Entitlement Requests of the Draft EIR), with the exception being that they are now being sought as "Off Menu Incentives" under the City's Density Bonus/Affordable Housing Incentives Ordinance as authorized under LAMC Section 12.22A25(g)(3) and Government Code Sec. 65915.

The amended description of the Applicants discretionary requests provided below under the heading "Discretionary Requests" supersedes and replaces all of the text provided on pages II-20 and II-21 of the Draft EIR. Furthermore, any and all references to the specific discretionary requests as referenced in Sections IV.A through VI of the Draft EIR and any part of the Final EIR shall be interpreted in favor of the clarifying language provided below with respect to being identified as "Off Menu Incentives" under the City's SB 1818 Density Bonus Implementing Ordinance.

# **DISCRETIONARY REQUESTS**

The Applicant, Hollywood Community Housing Corporation, proposes a 54-unit affordable housing development containing 53 restricted affordable units, one non-restricted manager's unit and 56 parking spaces that requires the demolition of four existing two-story apartment buildings containing 27 dwelling units, the relocation on-site of two non-historic bungalow structures containing three dwelling units and approximately 1,661 square feet of floor area, and the construction of a three- to four-story, approximately 45-foot in height, approximately 45,692 square foot, apartment building containing 51 dwelling units with one subterranean parking level.

The subject property is an approximately 0.75 acre, irregularly shaped, slightly sloping, through, interior parcel of land, classified in a combination of [Q]R4-2 and R3-1XL Zones and located within Subarea A of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan ("SNAP").

The establishment of the proposed project requires approval of the following:

Coronel Apartment Project, Case Number: ENV-2012-110-EIR, State Clearinghouse Number: 2012031014, August 2013.

- 1. **Density Bonus/Affordable Housing Incentives Determination**, pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22A25 and Government Code Secs. 65915-65918, to permit a 35% density bonus with 53, or 98%, of the dwelling units reserved as restricted affordable units (46% of the units reserved for Very Low Income households, 30% of the units reserved for Low Income households and 22% of the units reserved for Moderate Income households); and, parking provided pursuant to LAMC Section 12.22A25(d)(2)(i) (one parking space for each restricted affordable unit).
  - a. **On Menu Incentive**, pursuant to LAMC Section 12.22A25(f)(8), to permit averaging of density, open space and parking over the entire property and vehicular access from a less restrictive zone to a more restrictive zone.
  - b. **Off Menu-Incentives**, pursuant to LAMC Section 12.22A25(g)(3) and Government Code Sec. 65915:
    - Waiver or Modification of SNAP Sec. 7.A (Residentially Zoned Properties), to permit more than two lots to be tied together and containing approximately 32,541 square feet of lot area in lieu of the maximum 15,000 square feet of combined lot area otherwise permitted.
    - ii. Waiver or Modification of SNAP Sec. 7.D (Transitional Height), to permit a building that is approximately 33 feet greater in height than the height of the shortest existing building on any adjacent lot in lieu of the permitted 15 feet. (This would allow a building of approximately 45 feet in height in lieu of the 27 feet in height otherwise permitted).
    - iii. Waiver or Modification of SNAP Sec. 7.I (Development Standards):
      - 1. **SNAP Guidelines, Sec. IV.3 Useable Open Space,** to permit required common useable open space to maintain a 15-foot dimension, in lieu of the minimum 20-foot dimension.
      - SNAP Guidelines, Sec. IV.14 Privacy, to permit windows facing windows across property lines or facing private outdoor space of other residential units.
    - iv. **Waiver or Modification of LAMC Section 12.21C5(h),** to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone).
    - v. **Waiver or Modification of LAMC Section 12.21.1A.1**, to permit a building 45 feet in height in lieu of the 30 feet permitted in Height District No. 1XL.

- 2. Project Permit Compliance approval, pursuant to LAMC Section 11.5.7C.
- 3. **Approval of a haul route.** Other approvals, ministerial or otherwise, may be necessary, as the City finds appropriate in order to execute and implement the Project.

Other responsible governmental agencies may also serve as responsible agencies for certain discretionary approvals associated with the construction process, which include, but are not limited to the South Coast Air Quality Management District (construction-related air quality emissions) and the Regional Water Quality Control Board, Los Angeles Region (construction- related water quality). Accordingly, this EIR would be used by the lead and responsible agencies to satisfy CEQA and provide for informed decision-making process.

### CONCLUSION

The City has reviewed the information in this Errata sheet and has determined that it does not change any of the findings or conclusions of the Final EIR and does not constitute "significant new information" pursuant to CEQA Guidelines Section 15088.5. The amended discretionary requests presented above do not materially alter the Project, its design, density or operation, and does not generate the need for any subsequent revisions to the environmental analysis to either the Draft or Final EIR. This Errata does not present significant new information that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the Project or a feasible way to mitigate or avoid such an effect. This new information added to the Final EIR is not "significant," and recirculation of the Draft EIR is not required (pursuant to Guidelines Section 15088.5).

In conformance with Section 15121 of the State CEQA Guidelines, the Final EIR, technical appendices and reports thereof, together with the Errata, are intended to serve as documents that will generally inform the decision-makers and the public of environmental effects of the Project. This Errata, combined with the Mitigation Monitoring and Reporting Program, Response to Comments, and other chapters previously released as the Final EIR, now forms the Final EIR.





Eric Garcetti, Mayor Rushmore D. Cervantes, Interim General Manager

July 16, 2014

Hollywood Community Housing Corp. 5020 Santa Monica Boulevard Los Angeles, CA 90029

Attn: Maura Johnson, Housing Director Email: mjohnson@hollywoodhousing.org

Re: Coronel Apartments

1601 North Hobart Boulevard

Dear Ms. Johnson,

The Los Angeles Housing and Community Investment Department (HCID) has assumed the loan to the above project made to your organization by the former Community Redevelopment Agency. The proposed development was approved with 54-unit affordable housing units and one unrestricted managers unit (Project). The Project will cost approximately \$25,940,885 to develop.

It is our understanding that the sponsor is seeking a Density Bonus approval pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22.A25, and Project Permit Compliance approval under the Vermont/Western Transit Oriented District Specific Plan ("SNAP"), pursuant to LAMC Section 11.5.7C. The Density Bonus request includes one (1) On Menu Incentive and five (5) Off Menu Incentives in conformance with LAMC Section 12.22.A25(g)(3) and Government Code Section 65915.

We are aware that there is an alternative project design that does not require Off Menu Incentives. This design would contain only 45 units and would cost approximately \$31,949,494. Under that configuration the project would receive a "high cost" designation by the California Tax Credit Allocation Committee ("TCAC") and would <u>not</u> be recommended for an award.

While HCID may petition TCAC for a credit award, it would need to explain why it would be sound public policy. Given the competitiveness of tax credit allocations and the limited availability of public funds, such a high cost project could not be supported by HCID. In addition to the more than 23%

Subject Coronel Apartments Date July 16, 2014 Page 2

increase in cost, the reduced size of the project is inconsistent with approved terms of the loan. HCID will therefore not consider amending the loan for the purposes of proceeding with only On-Menu Incentives.

If you have any questions regarding this letter, please contact Tim Elliott, Housing Finance Manager at (213) 808-8596.

Sincerely,

RUSHMORE D. CERVANTES

Acting General Manager

HELMI HISSERICH

Assistant General Manager

Finance and Development Division

# THE SOTELO GROUP 1100 S. Hope Street, #103 Los Angeles, CA 90015 213.814.8212 Dalila@TheSoteloGroup.Co

COMMITMENT | LEADERSHIP | INTEGRITY

March 23, 2015

Mr. William Harris
Executive Director
Hollywood Community Housing
5020 Santa Monica Blvd.
Los Angeles, CA 90029

RE: Coronel Apartments - Financial Feasibility Analysis

Dear Mr. Harris:

The Sotelo Group, Inc. (TSG) was engaged by Hollywood Community Housing Corporation (HCHC) to conduct an independent third party financial analysis of the above referenced project. Pursuant to the request of the City of Los Angeles Planning Department, this analysis consists of evaluating the financial feasibility of a project based on the requested off-menu items versus a project without the requested off-menu items.

The analysis conducted by my firm demonstrates that the project as proposed is financially feasible whereas the alternative development scenario is infeasible due to the increased costs and loss of funding. Further, it is clear from my review that the loss of affordable housing in the City of Los Angeles, specifically in Hollywood, represents an unmitigated impact.

The Coronel Apartments is a proposed affordable housing Transit Oriented Development located on three separate but adjacent lots in Hollywood (1600-1608 North Serrano Avenue and 1601 North Hobart). It is within walking distance of the Metro Redline Station at Hollywood and Western Avenue and numerous neighborhood amenities.

As part of this analysis, I reviewed items provided by other third parties including construction costs estimates in addition to loan funding commitments/agreements provided by HCHC. Lastly, I independently confirmed the availability of public funding to both the proposed project and the alternative project.

The two scenarios evaluated by my firm consist of the following:

- ★ Scenario #1 54 affordable housing units based on the granting of a density bonus, and several on/off-menu items as outlined in Attachment One. The project is proposed as a combination of rehabilitation of two existing 1-story structures and the new construction of two 4-story buildings over a single subterranean parking garage. The new buildings are Type V over the podium deck of the garage.
- ★ Scenario #2 45 affordable housing units with no off-menu items and 3 on-menu items. This would result in a revised structure including the demolition of two existing 1920's bungalows and the new construction of two 3-story buildings and one 4-story building, each with its own subterranean garage.

My conclusion regarding feasibility was arrived at by evaluating the following aspects and their impact on the project:

- ❖ Construction cost: the evaluation was based on assumptions received by the architect regarding design and by a contractor regarding construction costs;
- ❖ Affordable housing: the evaluation was based on the assumptions provided by the architect with specific attention given to the loss of bedrooms; and,
- ❖ Project timeline/available financing: the evaluation was based on confirmation by the lenders of the deadlines associated with their committed funds. In addition, I surveyed the marketplace for other comparable funding should the commitments be lost.

In my opinion, the waivers requested by your company are necessary to make the project financially feasible. By allowing you to build 54 units, the City of Los Angeles will be leveraging the funding resources it has committed to this project with State and Federal resources and will support the construction of more affordable housing within the immediate proximity of a transit station. Based on the proposed building design, close proximity to mass transit and delivery of affordable housing, it is reasonable to conclude that the granting of the waivers will not be detrimental to the public welfare or injurious to the property or improvements adjacent to or in the vicinity of the subject property.

## **EVALUATION OF CONSTRUCTION COSTS**

# Scenario #1 - Development as Proposed

The current site consists of two California bungalows and four 2-story buildings totalling 27 units. The proposed project consists of rehabilitation of the bungalows, demolishing of the existing buildings and construction of 2 new buildings above a subterranean garage. "Off Menu Incentives" pursuant to LAMC Section 12.22.A25 (g) 3 will grant the following concessions to permit the following:

- 1) More than two lots to be tied together;
- 2) Approximately 33 feet greater in height than the height of the shortest existing building on any adjacent lot;
- 3) Open space dimension reduction;
- 4) Windows facing windows across property lines/facing private outdoor space;
- 5) Open space in a more restrictive zone (R3) to serve a main residential use in a less restrictive zone([Q)R4-2); and,
- 6) Building height of 45 ft. in lieu of the maximum 30 feet permitted.

If these incentives are permitted, the Developer can build a comprehensive project that has efficient circulation, on-site parking, common and open space. The proposed project is the most efficient option for the site given the objectives of creating a community focused development while preserving the existing neighborhood character on Serrano with the 1920's bungalows. In addition, the site is able to accommodate 54 units of affordable housing.

The following is a summary of the construction costs which reflect these efficiencies:

PROPOSED DEVELOPMENT	CONSTRUCTION COSTS	PER UNIT
Unit Construction	\$11,513,966	\$213,222
Site Improvements/Landscaping	\$238,750	\$4,421
Contractor Req/Profit/Over/Bond	<b>\$2,093,435</b>	\$38,767
Demolition/Abatement/Clearance	\$247,036	\$4,575
Construction Contingency	\$1,385,740	\$25,661
TOTAL	\$15,478,927	<b>\$286,647</b>

While the construction costs of \$286,647 per unit are on the higher range of costs, the costs are comparable to other affordable housing developments with the same infill site conditions located within the City of Los Angeles.

# Scenario #2 - Development without off-menu items

If the development were revised based on fulfilling the requirements of the City of LA's SB1818 Density Bonus Implementing Ordinance and not granting any off-menu items, the reduction in the number of units will total <u>9 units or 20 bedrooms</u>.

While the alternative project would remove the off-menu incentives, it would have to include the addition of 3 on-menu incentives for it to be constructed. These on-menu incentives per LAMC Section 12.22 A25 would permit the following items:

- 1) One yard decrease of up to 20%
- 2) Maximum height increase of 11 additional feet; and,
- 3) Maximum 20% decrease from existing open space requirement.

If the Planning department grants these incentives, and the resulting development would no longer secure an off-menu incentive for a lot-tie, the project would have to be built as 3 individual buildings (two 3-story buildings, each with 10 units, and one 4-story building with 25 units) with 3 subterranean parking structures (one for each building) and modified setbacks and open space circulation (approximately 6,255 square feet).

There are numerous inefficiencies created by the alternative project scenario. These include 1) cost impact of re-design the project; 2) delays due to re-design; and, most notably, 3) the increase to the construction cost due to 3 separate parking structures, demolition and non-compatibility of open/common area and building circulation and systems. I reviewed the independent construction estimate of the alternative scenario provided by your architect. The following is a summary of the construction costs that reflect these inefficiencies:

PROPOSED DEVELOPMENT	CONSTRUCTION COSTS	PER UNIT
Unit Construction	\$14,911,032	<b>\$3</b> 31, <b>3</b> 56
Site Improvements/Landscaping	\$451,000	\$10,022
Contractor Req/Profit/Over/Bond	\$2,734,633	\$60,769
Demolition/Abatement/Clearance	\$312,125	\$6,958
Construction Contingency	\$1,812,042	\$40,267
TOTAL	\$20,221,832	<b>\$449,</b> 374

The construction cost is almost \$450,000 per unit which is over the acceptable amount for this type of infill, affordable housing development. If these projects were independent, separate or phased projects, the costs would also be prohibitive. Even a reduction in the prevailing wages (by 20%) which would result in \$360,000 per unit cost is not financially feasible for either a market rate or affordable housing development in this neighborhood.

# EVALUATION OF AFFORDABLE HOUSING

# Scenario #1 - Development as Proposed

The construction of the proposed project will result in 54 units which vary from one to three bedroom units. All units will be targeted to very low and low income families. The following is the distribution by unit type and bedroom count:

Unit Type	#101Umils	# of Bdrms
1 bdem/1 ba	12 - 12 1 j - 14 - 1	12
2 bdrm/2 ba	23	46
3 bdrm/2 ba	18	<b>54</b>
Manager's Unit - 2 bdrm	1	2
TOTAL	54 units	114 bdrms

Attachment One outlines the entitlement requests for the proposed development. The requested items include: an increase in height; a decrease in open space; and, exceptions to the SNAP.

# Scenario #2 - Development without off-menu items

If the development were revised based on fulfilling the requirements of the SNAP and LAMC 12.21 with no off-menu incentives, the resulting project would be significantly different and would result in the loss of <u>9 units</u> or a total of 20 bedrooms as follows:

Unit Type	# of Units	# of Bdrms
1 bdrm/1 ba	11	.11
2 bdrm/2 ba	19	- 1
3 bdrm/2 ba	15	45
Manager's Unit - 2 bdrm	1	2
TOTAL	45 units	94 bdrms

The impact of the reduction would most significantly impact very low and low income families which represent over 54% of those living in poverty within the greater Hollywood area. The loss of 20 bedrooms is counterproductive to the City's effort to build more affordable housing.

# **EVALUTION OF TIMING & FUNDING**

Timing is a critical element in the financing of affordable housing in the State of California and, in particular, in the City of Los Angeles. As part of an award cycle, projects are evaluated based on their readiness and ability to proceed in a timely manner once awarded funds. Therefore, in order to obtain the necessary funding from the various sources, developers must commit to commencing and completing construction within a given timeframe.

# Scenario #1 - Development as Proposed

The following is a summary of the funding. Based on the commitments in place, there is no gap in funding, thereby, making the project financially feasible.

SOURCE OF FUNDING	AMOUNT OF FUNDING	STATUS
City – Inclusionary Hsg Funds	\$1,500,000	Committed
City - HCIDLA	\$5,027,000	Committed
State - HCD	27. <b>\$2,051,268</b>	Committed
State/City - Tax Credit Equity	\$14,475,317	Pending
Affordable Housing Program	\$530,000	Pending
Private Loan/Borrower Funds	\$2,357,000	Committed
TOTAL COSTS	\$25,940,885	THE TOTAL CONTRACT OF

### **HCID & TAX CREDIT FUNDING**

As illustrated above, the project's funding is committed. This includes the Los Angeles Housing + Community Investment Department (HCID) that administers the CRA funding as well as the Inclusionary Housing Funds from the Camden project. The project is in the HCID Managed Pipeline. Projects in the City's Managed Pipeline gain access to the Federal Low Income Housing Tax Credit program in order to complete the financing needed to proceed to construction. HCID supports the allocation of tax credits to the project as proposed.

### STATE - HCD FUNDING

The award of HCD-Proposition 1C funds was received during the last competitive funding cycle in 2014. According to HCD, this funding will no longer be available to new projects since all the program funding was depleted in 2014 and has not been renewed. According to HCD's guidelines, use of the funds must take place or the award is subject to recapture by HCD.

# Scenario #2 - Development without off-menu items

Under this Scenario, 9 units would be eliminated from the design. This modification reflects nearly a 20% reduction in the number of units which is considered a significant deviation (industry standard is +/- 10%). As a result of this deviation, the project would have to be re-designed and submitted to all funders/lenders for approval. Based on my independent conversations with the funders/lenders, it is unlikely that all the currently committed funds would remain in place.

# STATE - HCD FUNDING

The HCD funding includes two interconnected aspects that are impacted by the reduction in the number of units and will likely lead to the recapture of the HCD award thereby, creating a gap in funding of \$2 million:

- 1) Timing in order to maintain the award, the developer has to utilize the award and complete construction of the units and achieve occupancy by 2017. A redesign of the site would cause a significant delay in the timeline. This would jeopardize keeping the award and require you to immediately return the funds to HCD. If these funds are lost, the committed financing for the entire project is jeopardized if not replenished by another public subsidy source; and,
- 2) Loan Amount if you are able to maintain the award, then the amount of the funding will be adjusted as well as the project competitiveness. The project's ability to build density within ½ mile of a transit stop leads to a higher score. By reducing the density, the project funding is reduced by almost 31% and its competitive scoring is reduced by 10 points; thereby, making it non-competitive.

### TAX CREDIT FUNDING

HCID allocates the City's share of Tax Credit funding and has required the project to apply for an allocation of credits no later than July, 2015. You must demonstrate readiness to apply by this deadline or risk disapproval by HCID and wait for the project to be selected once again.

The application requires that the project must demonstrate readiness to commence construction within 120 days of an award. If the application is submitted in the July, 2015 funding cycle and awarded funds in September, construction must commence by in 2016. A redesign of the units will cause a significant delay, therefore, the project would fail to meet the LIHTC requirement.

Further, HCID clearly indicated in its letter dated July 16, 2014, that a revised project with less units and higher costs would be inconsistent with the approved loan terms and

would not be recommended for an allocation of tax credits. I have independently confirmed that this in fact is the case. Therefore, the alternative project is financially infeasible since it would lose 80% of its funding.

## ADDITIONAL ANALYSIS

Assuming that all parties would be willing to maintain their funding commitments in place, I evaluated the financing gap that would result from the drastic increase in construction costs. Because these are targeted affordable housing units, access to private financing is limited by the amount of debt service the project can support. Therefore, the only alternative is to seek additional public subsidy. While alternative financing for the project may become available, I cannot recommend any viable options at this time.

The following provides a comparative summary of funding sources for the proposed and alternative scenarios:

SOURCE OF FUNDS	SCENARIO#1	SCENARIO #2	INCREASE
	PROPOSED	AUTERNATIVE	(DECREASE)
City-Inclusionary Hsg Funds	\$1,500,000	\$1,500,000	\$0
City-HCIDLA	\$5,027,000	\$5,027,000	\$0
State - HCD	\$2,051,268	\$1,752,000	(\$299,568)
State/City-Tax Credit Equity	\$14,475,317	\$14,743,494	\$268,177
Affordable Housing Program	\$530,000	\$440,000	(\$90,000)
Private/Borrower Funds	\$2,357,000	\$1,911,000	(\$446,000)
Funding Gap	\$0	\$4,933,679	\$4,933,679
TOTAL	\$25,940,885	\$30,307,173	en in der eine eine der seine in Albeite unter Augen gegen geben eine Albeite unter

## **CONCLUSION:**

The focus of this analysis was to evaluate the feasibility of the project with and without the five off-menu items waived pursuant to the City of LA's SB1818 Density Bonus Implementing Ordinance. The areas of impact which were reviewed included construction costs; amount of affordable housing; timing and availability of funding. Based on each of these factors, it is my conclusion that the alternative project outlined in Scenario #2 is not financially feasible. Further, the financing that is currently in place for the proposed project outlined in Scenario #1, is in fact, the best option because it is financially feasible.

Should you have any questions on this analysis or require further information, please do not hesitate to contact me at (213) 406-8060 or via email at <a href="mailto:Dalila@TheSoteloGroup.Co">Dalila@TheSoteloGroup.Co</a>.

Sincerely,

The Sotelo Group, Inc.

Dalila Sotelo, Principal

### ATTACHMENT ONE

# SUMMARY OF ENTITLEMENT REQUESTS

- 1. Density Bonus/Affordable Housing Incentives Determination, pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22A25 and Government Code Secs. 65915-65918, to permit a 35% density bonus with 53, or 98% of the dwelling units reserved as restricted affordable units (46% of the units reserved for Very Low Income households; 30% of the units reserved for Low Income households and 22% of the units reserved for Moderate Income households); and, parking provided pursuant to LAMC Section. 12.22A25 (d)(2)(i) (one parking space for each restricted affordable unit).
  - a. On Menu Incentive, pursuant to LAMC Section 12.22A25 (f)(8), to permit averaging of density, open space and parking over the entire property and vehicular access from a less restrictive zone to a more restrictive zone.
  - b. **Off Menu-Incentives**, pursuant to LAMC Section 12.22A25(g)(3) and Government Code Sec. 65915:
    - i. Waiver or Modification of SNAP Sec. 7.A (Residentially Zoned Properties), to permit more than two lots to be tied together and containing approximately 32,541 square feet of lot area in lieu of the maximum 15,000 square feet of combined lot area otherwise permitted.
    - ii. Waiver or Modification of SNAP Sec. 7.D (Transitional Height), to permit a building that is approximately 33 feet greater in height than the height of the shortest existing building on any adjacent lot in lieu of the permitted 15 feet. (This would allow a building of approximately 45 feet in height in lieu of the 27 feet in height otherwise permitted).
    - iii. Waiver or Modification of SNAP Sec. 7.1(Development Standards):
      - 1. SNAP Guidelines, Sec. IV.3 Useable Open Space, to permit required common useable open space to maintain a 15-foot dimension, in lieu of the minimum 20-foot dimension.
      - 2. SNAP Guidelines, Sec. IV.14 Privacy, to permit windows facing windows across property lines or facing private outdoor space of other residential units.
    - iv. Waiver or Modification of LAMC Section 12.21C5(h), to permit an accessory use (open space) located in a more restrictive zone (R3 Zone) serving a main residential use located in a less restrictive zone ([Q]R4-2 Zone).
    - v. Waiver or Modification of LAMC Section 12.21.lA.l, to permit a building 45 feet in height in lieu of the 30 feet permitted in Height District No. 1XL.