



DEPARTMENT OF CITY PLANNING

APPEAL RECOMMENDATION REPORT

City Planning Commission

Date: August 11, 2016
Time: After 8:30 A.M.
Place: Los Angeles City Hall
200 North Spring Street
Public Works Board Room, Rm. 350
Los Angeles, CA 90012

Public Hearing Completed: June 21, 2016
Expiration Date: August 15, 2016
Appeal Status: Pursuant to LAMC Section 17.06, the Tract Map is appealable to City Council

Case No.: VTT-72914-1A
CEQA No.: ENV-2014-1773-EIR
(SCH No. 2014071054)
Incidental Cases: VTT-72914; CPC-2014-1772-DA;
CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS
Related Cases: None
Council No.: 9 – Hon. Curren D. Price, Jr.
Plan Area: Southeast Los Angeles
Specific Plan: South Los Angeles Alcohol Sales
Certified NC: South Central
GPLU: Limited Manufacturing
Proposed GPLU: Community Commercial
Zone: [Q]M1-2-O and M1-2-O
Proposed Zone: (T)(Q)C2-2-O-SN

Applicant Representative: PHR LA MART, LLC
Edgar Khalatian
Mayer Brown, LLP
Appellant: Joe Donlin,
United Neighbors in Defense
Against Displacement (UNIDAD)

PROJECT LOCATION: 1900 South Broadway

PROPOSED PROJECT: The project, as approved by the Deputy Advisory Agency on July 6, 2016, Vesting Tentative Tract Map No. 72914, consists of four ground lots and 76 airspace lots for the development of 1,444 residential condominiums; a 208-key hotel; 67,702 square feet of retail/restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The existing Reef building will be maintained and includes an 8,000 square-foot addition for a rooftop restaurant.

The project's west lot is currently developed with the approximately 861,162 square-foot, 12-story Reef building and 400 surface parking spaces. The approximately 4.7-acre east lot is currently developed with an approximately 11,150 square-foot warehouse/distribution building and 700 surface parking spaces. The project consists of retention of the Reef building, demolition of the warehouse/distribution building and surface parking lots, and new construction.

REQUESTED ACTIONS:

1. Pursuant to LAMC Section 17.03 of the Los Angeles Municipal Code, **appeals** of the Deputy Advisory Agency's approval of **Vesting Tentative Tract No. VTT-72914**;
2. Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, the Certification of the Environmental Impact Report (EIR), ENV-2014-1773-EIR, SCH No. 2014071054, for the above-

referenced project, and Adoption of the Statement of Overriding Considerations setting forth the reason and benefits of adopting the EIR with full knowledge that significant impacts may remain;

- 3. Pursuant to Section 21801.6 of the California Public Resources Code, the Adoption of the proposed Mitigation Monitoring Program; and,
- 4. Pursuant to Section 21081 of the California Public Resources Code, the Adoption of the required Findings for the adoption of the EIR.

RECOMMENDED ACTIONS:

- 1. **Deny** in part, **grant** in part, the appeals of VTT-72914-1A, denying the appeals of the overall project and to allow staff to make technical corrections to the Conditions of Approval.
- 2. **Find** that the City Planning Commission (CPC) has reviewed and considered the information contained in the Draft Environmental Impact Report, No. **ENV-2014-1773-EIR**, (SCH. No. **2014071054**) dated September 2015, and the Final Environmental Impact Report dated June 2016, (collectively, "Reef FEIR"), as well as the entire Record of Proceedings for the project.
- 3. **Certify** that:
 - a. the Reef FEIR has been completed in compliance with the California Environmental Quality Act (CEQA); and,
 - b. the Reef FEIR was presented to the CPC as a decision-making body of the lead agency; and
 - c. the CPC reviewed and considered the information contained in the Reef FEIR prior to its decision on the Project; and,
 - d. the Reef FEIR reflects the independent judgment and analysis of the lead agency;
- 4. **Adopt** the following:
 - a. the related and prepared Reef FEIR Environmental Findings; and,
 - b. the Statement of Overriding Considerations; and
 - c. the Mitigation Monitoring Program and find the mitigation measures have been made conditions on the project.

VINCENT P. BERTONI, AICP
Director of Planning



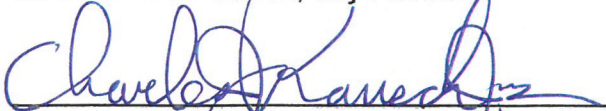
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 Sarah Molina Pearson, City Planner



 Charles J. Rausch, Jr., Deputy Advisory Agency

ADVICE TO PUBLIC: *The exact time this report will be considered during the meeting is uncertain since there may be several other items on the agenda. Written communications may be mailed to the *Commission Secretariat, 200 North Spring Street, Room 532, Los Angeles, CA 90012* (Phone No. 213-978-1300). While all written communications are given to the Commission for consideration, the initial packets are sent out the week prior to the Commission's meeting date. If you challenge these agenda items in court, you may be limited to raising only those issues you or someone else raised at the public hearing agendized herein, or in written correspondence on these matters delivered to this agency at or prior to the public hearing. As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability, and upon request, will provide reasonable accommodation to ensure equal access to this programs, services and activities. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or other services may be provided upon request. To ensure availability of services, please make your request not later than three working days (72 hours) prior to the meeting by calling the Commission Secretariat at (213) 978-1300.

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PROJECT SUMMARY

One appeal has been filed against the Deputy Advisory Agency's approval of Vesting Tentative Tract Map No. 72914 to permit four ground lots and 76 airspace lots for the development of 1,444 residential condominiums; a 208-key hotel; 67,702 square feet of retail/restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The existing Reef building will be maintained and includes an 8,000 square-foot addition for a rooftop restaurant.

The project site is a rectangular 9.7-acre site consisting of the approximately 4.9-acre west lot (or block) and approximately 4.7-acre east lot bounded by W. Washington Boulevard on the north, S. Hill Street on the west, S. Main Street on the east, W. 21st Street to the south, and S. Broadway bisecting the two lots. The existing Reef building has frontage along S. Hill Street, W. Washington Boulevard and S. Broadway. The project site is zoned [Q]M1-2-O and M1-2-O.

The applicant, PHR LA MART, LLC is proposing to construct the aforementioned mixed-use development that includes several buildings ranging in height from 77 feet up to 420 feet on an approximately 9.7-acre property consisting of two City blocks. The project includes 2,512 parking spaces and 1,906 bicycle parking stalls. The project will contain 2,541,468 square feet of floor area upon full build out.

Existing Zone and Land Use

The Southeast Los Angeles Community Plan map designates the project site for Limited Manufacturing land uses with corresponding zones of CM, MR1 and M1. The project site is zoned [Q]M1-2-O and M1-2-O, signifying that the project site is in a Limited Manufacturing zone with an Oil Drilling Overlay and Height District 2. The Height District 2 permits a Floor Area Ratio (FAR) of 6:1 with no height limit. The west lot includes a "Q" condition imposed in 2010 (Ordinance No. 181,228) with approval of a zone change from MR1-2-O to M1-2-O for the northwest portion of the project site that requires the uses to comply with those permitted in the M1 zone, and retains the 6:1 FAR. In addition, the project site is located within the South Los Angeles Alcohol Sales Specific Plan.

The project site is currently developed with the approximately 861,162 square-foot, 12-story Reef building; approximately 400 surface parking spaces; an approximately 11,150 square feet warehouse/distribution building; and approximately 700 surface parking spaces. There 59 existing trees on-site, but none are protected trees as defined under Los Angeles Municipal Ordinance No. 177,404.

Surrounding Properties

The project is an infill development. The project vicinity is urbanized and generally built out, and is characterized by a mix of low- to high-intensity commercial, civic, educational and residential uses which vary widely in building style and period of construction. The Los Angeles County Superior Courthouse is in the PF-1 zone and is located immediately to the west of the project site across Hill Street. The Los Angeles Trade Technical College campus is in the M1-2-O and R4-2-O zones and is located one block farther west. To the north are low-rise commercial, industrial, and mixed-use buildings and surface parking lots in the M2-2-O zone. A 12-story mixed commercial use building is located immediately north of the project site in the M2-2-O zone. The Santa Monica Freeway (I-10) runs east-west approximately one block north of the project site. The area immediately east of the project site contains a one-story industrial/warehouse in the M1-2-O zone that is largely unoccupied, except for the private L.A. Sports Museum. In addition, the Santee Education Complex and Frida Kahlo Continuation High School are located one block east, in the M1-2-O zone, at the intersection of Los Angeles Street and Washington Boulevard. The area to the south of the project site contains older commercial

and industrial buildings in the M1-2-O zone with a few mixed-use buildings interspersed and surface parking lots.

Circulation

21st Street, adjoining the project site to the south, is designated a Local Street – Standard in the Mobility Plan 2035, dedicated to a 60-foot width at the project's street frontage and is improved with sidewalks, curbs and gutters.

Main Street, adjoining the project site to the east, is designated an Avenue I in the Mobility Plan 2035, dedicated to a 100-foot width at the project's street frontage and is improved with sidewalks, curbs and gutters.

Hill Street, adjoining the project site to the west, is designated an Avenue II in the Mobility Plan 2035, dedicated to an 86-foot width at the project's street frontage and is improved with sidewalks, curbs and gutters.

Washington Boulevard, adjoining the project site to the north, is designated a Boulevard II in the Mobility Plan 2035, dedicated to a 110-foot width at the project's street frontage and is improved with sidewalks, curbs, gutters, and an at-grade reserved median for the Metro Blue Line in the center of the street.

Broadway, bisecting the project site, is designated an Avenue II in the Mobility Plan 2035, dedicated to an 86-foot width at the project's street frontage and is improved with sidewalks, curbs and gutters.

Public Transit

The following transit lines provide service to and around the project site:

- Metro Rail Lines: Blue and Expo
- Metro Local Bus Lines: 14, 35, 37, 38, 40, 45, 48, 55/355
- Metro Rapid Service Line: 733, 745, 770
- LADOT Dash Lines: Dash D and Dash Pico Union-Echo Park

Hazards

The project site is not located within an Alquist-Priolo Zone or a Fault Rupture Study Area. The project site is located approximately 3.38 miles from the nearest fault (Puente Hills Blind Thrust Fault).

The property is not located in Landslide, Liquefaction, Tsunami Inundation, Very High Fire Hazard Severity Zone, Flood Zone, or High Wind Velocity areas. The project site is located within a methane zone. However, the project is required to comply with the General Methane Requirements pursuant to LAMC Section 91.7103. Compliance with these regulations ensures that potential impacts are less than significant.

On-Site Related Cases:

CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MSC: An application was filed on May 19, 2014 requesting approval of: 1) a General Plan Amendment, pursuant to LAMC Section 11.5.6, to the Southeast Los Angeles Community Plan to change the land use designation from Limited Manufacturing to Community Commercial and to modify Footnote 1 of the Southeast Los Angeles Community Plan's Land Use map to allow Height District 2; 2) Pursuant to LAMC Sections 12.32-F and 12.32-Q, a Vesting Zone Change from [Q]M1-2-O and M1-2-O to (T)(Q)C2-2-O-SN; 3) Pursuant to LAMC Section 12.32-S, the creation of a Supplemental Use Sign District (SN); 4) Pursuant to LAMC Sections 12.24-U, 14 and 12.24-T, a

Vesting Conditional Use to allow a Major Development Project resulting in an increase of 100,000 square feet of non-residential uses in the C2 zone; 5) Pursuant to LAMC Sections 12.24-W,19 and 12.24-T, a Vesting Conditional Use to allow Floor Area Ratio Averaging for a unified development; 6) Pursuant to LAMC Section 12.24-W,1, a Master Conditional Use to allow the on and/or off-site sale, dispensing and consumption of a full line of alcoholic beverages for up to 21 establishments; 7) Pursuant to LAMC Section 12.24-W,18, a Master Conditional Use to allow live entertainment and/or patron dancing for up to 21 establishments; 8) Pursuant to LAMC Section 12.24-Y, a Special Permission for the Reduction of Off-Street Parking to allow a 10 percent parking reduction for commercial and industrial uses located within 1,500 feet of a transit facility; 9) Pursuant to LAMC Section 12.27, a Variance to allow 289 on-site trees in lieu of the otherwise required 361 trees; 10) Pursuant to LAMC Section 12.27, a Variance to allow outdoor dining above the ground floor in the C2 zone; 11) Pursuant to LAMC Section 12.27, a Variance to allow alternative short-term and long-term bicycle stall siting; 12) Pursuant to LAMC Section 16.05, Site Plan Review for a project that would result in an increase of 50 or more dwelling units and/or 50,000 gross square feet of non-residential floor area. On June 21, 2016, the Hearing Officer, on behalf of the City Planning Commission, considered the requests.

CPC-2014-1772-DA: An application was filed on May 19, 2014, pursuant to California Government Code Sections 65864-68869.5, for a Development Agreement with the City of Los Angeles for a mixed-use development consisting of: 1,444 residential condominiums; a 208-key hotel; 67,702 square feet of retail/restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The existing Reef building will be maintained and will include an 8,000 square-foot addition for a rooftop restaurant. On June 21, 2016, the Hearing Officer, on behalf of the City Planning Commission, considered the request.

ENV-2014-1773-EIR: On May 19, 2014, Environmental Impact Report ENV-2014-1773-EIR (SCH No. 2014071054) was filed for a mixed-use development of 1,444 residential condominiums; a 208-room hotel; 67,702 square feet of retail and restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The existing Reef building will be maintained and include an 8,000 square-foot addition for a rooftop restaurant. On June 21, 2016, the Deputy Advisory Agency and Hearing Officer, on behalf of the City Planning Commission, considered, pursuant to Section 21082.1(c) of the California Public Resources Code, the adequacy of ENV-2014-1773-EIR (State Clearinghouse House No. 2014071054), findings, Statement of Overriding Considerations and accompanying mitigation measures, Mitigation Monitoring Program as the environmental clearance for the project. The Notice of Availability of the Final Environmental Impact Report was issued on June 10, 2016.

Environmental Impact Report:

On July 16, 2014 the City circulated a Notice of Preparation (NOP) to State, regional, and local agencies, and to owners and occupants within 1,000 feet of the project site for a 30-day review period ending August 15, 2014. A public scoping meeting was conducted on July 30, 2014. In accordance with State CEQA Guidelines, upon completion of the Draft Environmental Impact Report, a Notice of Completion and Availability was circulated on September 17, 2015 to owners and occupants within 1,000 feet of the project site and submitted to the State Clearinghouse, Governor's Office of Planning and Research for distribution to State Agencies as well as interested parties. The Draft EIR was circulated for a 47-day public review period beginning on September 17, 2015, and ending on November 2, 2015. In addition, the Notice of Completion and Availability was published in the Los Angeles Times on September 17, 2015.

The City published a Final EIR for the project on June 10, 2016. In addition, on June 10, 2016, a Notice of Completion and Availability for the Final EIR was mailed to State, regional, and local agencies, interested parties, and to owners and occupants within 1,000 feet of the project site.

On July 6, 2016, the Advisory Agency certified the Environmental Impact Report, in conjunction with Vesting Tentative Tract Map No. VTT-72914. The Environmental Impact Report identified impacts that would have 1) no impacts or less than significant impacts, 2) potential significant impacts that could be mitigated to less than significant, and 3) significant and unavoidable impacts. The impacts are summarized below.

Impacts found to have No Impact or to be Less Than Significant include the following:

- Aesthetics (Visual Character/Light or Glare except for Vertical Zone 3 Signage and during construction; Shade or Shadow except for the Rutland Apartments during spring/fall equinox)
- Agricultural and Forestry Resources (Farmland; Existing Zoning for Agricultural Use or Williamson Act Contract; Forest Land or Timberland Zoning; Loss or Conversion of Forest Land; Cumulative Impacts)
- Air Quality (Objectionable Odors; Consistency with Applicable Air Quality Management Plan; Violation of Air Quality Standards or Substantial Contribution to Air Quality Violations except for VOC during construction, VOC and NO_x during operation, and freeway adjacent health risks; Consistency with General Plan Air Quality Element)
- Biological Resources (Sensitive Biological Species; Riparian Habitat and Wetlands; Movement of any Resident or Migratory Species; Habitat Conservation Plans; Trees and Cumulative Impacts)
- Cultural Resources (Historical Resources; Archaeological Resources and Human Remains)
- Geology and Soils (Seismic Fault Rupture; Strong Seismic Ground Shaking; Liquefaction; Subsidence and Expansive Soils; Landslides and Septic Tanks)
- Hazards and Hazardous Materials (Construction and Operational Impacts of Hazardous Materials; Proximity to a School; Emergency Response Plan; Airport Land Use Plan and Private Airstrips; Wildland Fires)
- Hydrology and Water Quality (Surface Water Quality; Groundwater; Surface Water Flood Hazards; Hydrology/Drainage; 100-Year Flood Hazard Areas and Seiche; Tsunami or Mudflow)
- Land Use and Planning (Community Division and Land Use Compatibility; Consistency with Land Use Plans and Policies; Habitat or Natural Community Conservation Plans)
- Mineral Resources (Loss of Availability of Known Mineral Resources; Loss of Mineral Resources Recovery Site; Cumulative Impacts)
- Noise (Airport Land Use Plans; Private Airstrips; Traffic Noise and Vibration except for cumulative traffic noise on 17th Street)
- Population and Housing (Population, Housing and Employment; Displacement of Existing Housing; Displacement of Existing Residents; Cumulative Impacts)
- Public Services and Recreation (Fire Protection; Schools; Parks and Recreation; Libraries; Recreational Facilities; Cumulative Impacts)
- Transportation/Circulation (Construction; Operation except for two AM Peak, nine PM peak, 10 Friday Evening peak, one Saturday Midday peak, Sports Museum; Air Traffic Patterns; Cumulative Impacts)
- Utilities (Wastewater; Water; Solid Waste; Electricity; Natural Gas; Cumulative Impacts)
- Land Use Equivalency Program and Design Guidelines

Impacts found to be Less Than Significant with Mitigation include the following:

- Cultural Resources (Paleontological Resources-Construction)
- Greenhouse Gas Emissions
- Hazards/Hazardous Materials (Radon Only-Construction)
- Noise (Construction)
- Public Services (Police Protection)

Impacts Found to be Significant and Unavoidable even with the implementation of all feasible mitigation include the following:

- Aesthetics (Construction; Vertical Zone 3 Signage Only-Operation; Shade/Shadow on Rutland Apartments)
- Air Quality (Violation of Air Quality Standards or Substantial Contribution to Air Quality Violations Mass Daily Construction Emissions-VOC Only; Mass Daily Operational Emissions-VOC and NO_x Only; Mass Daily Construction and Operational Emissions Cumulative Impacts – VOC, Construction and Operation, and NO_x, Operation Only; Freeway Adjacent Health Risk)
- Noise (Cumulative Construction; Cumulative Operation-17th Street west of Hill Street)
- Transportation/Circulation (Intersections – two AM Peak, nine PM peak, 10 Friday Evening peak, one Saturday Midday peak – and Driveway-Operation at Sports Museum)

CONCLUSION

In consideration of the request, the Deputy Advisory Agency acted reasonably in approving Vesting Tentative Tract Map No. VTT-72914. Specifically, the tract map and the project's proposed mix of uses are consistent with the proposed (T)(Q)C2-2-O-SN zone and proposed Community Commercial land use designation. In addition, the proposed project will serve the community by providing a new mixed-use housing development, including 1,444 residential condominiums; a 208-key hotel; 67,702 square feet of retail/restaurant uses; a 29,355 square-foot grocery store; a 17,507 square-foot gallery; and a 7,879 square-foot fitness studio. The existing Reef building will be maintained and includes an 8,000 square-foot addition for a rooftop restaurant. Therefore, in consideration of all the facts, Planning staff recommends that the decisions of the Deputy Advisory Agency be sustained and the appeal be denied.

In addition, the following corrections and addition to the VTT-72914 Decision Letter dated July 6, 2016 are made:

- 1) Condition 26 is a repeat of Condition 25 and should be deleted. Conditions 27-30 should be renumbered to Conditions 26-30.
- 2) Modify corrected Condition No. 27 to read:
 27. Prior to recordation of the final map the subdivider shall prepare and execute a Covenant and Agreement (Planning Department General Form CP-6770) in a manner satisfactory to the Planning Department requiring the subdivider to identify mitigation monitors who shall provide periodic status reports on the implementation of mitigation items required by Mitigation Condition No. 13, 14, 20, and 21 of the Tract's approval satisfactory to the Advisory Agency. The mitigation monitors shall be identified as to their areas of responsibility, and phase of intervention (pre-construction, construction, post-construction/maintenance) to ensure continued implementation of the above mentioned mitigation items.

3) Add a new condition, Condition No. 29, on top of page 14 to read:

29. **Mitigation Measures And Project Design Features.** The development of the project site is hereby bound to the following Mitigation Measures and Project Design Features, which are conditions of approval for the project.

4) Correct MM-NOI-2, on bottom of page 21, to read:

MM-NOI-2: All construction equipment engines shall be properly tuned and muffled according to manufacturers' specifications. The project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices and shall include the use of plug-in electrical or solar-powered generators only.

5) For the record, a revised comment letter dated July 15, 2016 was received from Department of Building and Safety Zoning for revised Vesting Tentative Tract Map No. 72914 dated June 23, 2016. The conditions in the letter remain unchanged from conditions stated in the November 24, 2014 comment letter. Therefore, no changes to the Conditions of Approval relative to Department of Building and Safety Zoning are necessary.

APPEAL ANALYSIS

The Appellant's statements have been summarized in the following categories (see attached Exhibit A for the Appellant's entire letter).

Appellant's Statement—Consistency with the Southeast Los Angeles Community Plan (Community Plan), and General Plan Housing Element

- The project is not consistent with the following Community Plan objective and policies:
 - Objective 1-2: To locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities
 - Policy 11-2.3: Maximize opportunities for affordable housing and pedestrian access adjacent to rail stations
 - Policy 1-5.2: Ensure that new housing opportunities minimizes displacement of the residents
 - Policy 2-1.4: Ensure the viability of existing neighborhood stores (i.e., mom-and-pop) which support the needs of local residents and are compatible with the neighborhood
- The project is not consistent with the following General Plan Housing Element policies and programs:
 - Policy 1.1.2: Expand affordable rental housing for all income groups that need assistance
 - Policy 2.5.1: Target housing resources, policies and incentives to include affordable housing in residential development, particularly in mixed use development, Transit Oriented Districts and designated Centers
 - Policy 2.5.2: Foster the development of new affordable housing units citywide and within each Community Plan area
 - Program 8, Land Use Program to Increase the Production of Affordable Housing: Explore the feasibility and appropriateness of creating affordable housing requirements for projects that receive benefits from the City, including projects that receive City subsidies or City land, projects receiving zone changes that result in significantly more units than otherwise permitted, as well as projects that obtain a Development Agreement. Aim to adopt affordable housing requirements through an ordinance.
 - Program 73, Targeting Growth in Community Plan Areas: Update Community Plans and Transit Neighborhood Plans to establish appropriate land uses, densities, and mixes of housing types and levels of affordability in areas well served by public transit, including employment centers and activity centers... When building envelopes are increased, take care not to undermine the density bonus program. Aim to attach community benefits, including affordable housing, to significant bonuses in floor area and density.
 - Program 99, Downtown Affordable Housing Bonus: Provide the following incentives for all residential developments in Downtown that include very low-, low-, moderate-income, or workforce housing: 35% more floor area... Explore ways to improve affordable housing production under the program, including... whether the parks fee in lieu of required open space constrains affordable housing development.
 - Program 101, Community Level Affordable Housing Programs: With each major community planning effort, establish a goal for the development of affordable housing units based on the current Regional Housing Needs Assessment (RHNA) allocation for the City and Housing Element objectives and policies. Through adoption of Community Plans, Specific Plans or other implementation tools that enable and facilitate residential development, provide incentives for inclusion of affordable housing in residential development and/or other mechanisms that address impacts on the provision or retention of affordable

housing units and need. Take care to not undermine the density bonus program by providing significant land-use incentives without an affordable housing provision. Facilitate affordable housing development in existing Specific Plans that include such provisions, including Playa Vista, Central City West and Cornfield Arroyo Seco.

- The project is not consistent with the following General Plan Framework Element policies:
 - Policy 4.1.6: Create incentives and give priorities in permit processing for low- and very-low income housing developments throughout the City
 - Policy 4.2.1: Offer incentives to include housing for very low- and low-income households in mixed-use developments

Staff Response

The Appellant asserts that the project does not comply with the Community Plan's Objective No. 1-2 to reduce vehicular traffic because it will generate traffic. However, as explained on page IV.J-52 on Table IV.J-4 of the Draft EIR, the project is consistent with this objective because it provides housing opportunities for people to live, work and visit while reducing vehicle trips as compared to a project that is not located near transit. As further explained in Table IV.J-4, the project is located two blocks from the Metro Rail Blue Line, within one-third of a mile of the Metro Expo Line, and adjacent to Metro Local and Rapid Lines 14, 35, 37, 38, 40, 45, 48, 55/355, 733, 745, 770, and LADOT Dash Lines: Dash D and Dash Pico Union-Echo Park. In addition, to promote bicycle usage, the project includes 1,906 bicycle parking stalls and provides a bike center with bike repair facilities, lockers and showers. In addition, the project is located near Downtown Los Angeles, L.A. Live, Staples Center, USC and other employment centers that are all accessible by public transit and walking and biking.

The Southeast Los Angeles Community Plan's Policy 11-2.3 – to “[m]aximize opportunities for affordable housing and pedestrian access adjacent to rail stations” – is intended to help achieve Objective 11-2 to “increase the work trips and non-work trips made on public transit” and Goal 11 to “develop a public transit system that improves mobility with convenient alternatives to automobile travel.” This goal, objective and policy address public transit access generally. Therefore, Policy 11-2.3 promotes, but does not require, opportunities for affordable housing adjacent to rail stations. Nevertheless, the project partially achieves Policy 11-2.3 by creating a mixed-use housing development within two blocks of the Metro Rail Blue Line and .3 mile of the Metro Expo Line.

Regarding the project's consistency with Community Plan's Policy 1-5.2 about new housing opportunities that minimize displacement, the project's location does not result in the displacement of housing and residents because there are no housing units on the project site. Moreover, Policy 1-5.2 is part of Objective 1-5 which seeks “to promote and ensure the provision of adequate housing for all persons regardless of income, age, or ethnic background.” The project helps achieve this objective by developing new housing opportunities for the City, and is therefore consistent with Policy 1-5.2.

The Community Plan's Policy 2-1.4 about maintaining the viability of existing neighborhood stores is not relevant to the project because it applies to existing commercial properties in commercially-zoned areas. Specifically, this policy is part of the Community Plan's Goal 2 for a “strong and competitive commercial sector which best serves the needs of the community...while preserving the historic commercial and cultural character of the district.” The project site is not located in a new or historic commercial district, nor are there existing neighborhood stores on the project site. The program identified to implement Policy 2-1.4 in the Community Plan calls for redesignating Highway Commercial sites to Neighborhood Districts

and for granting approval for the continued use of existing, nonconforming retail establishments. The project site is not designated Highway Commercial. Regardless, the project is creating new neighborhood-serving uses, including a grocery store, pharmacy, and several retail and restaurant establishments. The project also includes 13 micro retail spaces totaling 4,594 square feet to encourage small businesses. Therefore, the project helps achieve Policy 2-1.4.

The Appellant contends that the project is not consistent with General Plan Housing Element's Policy 1.1.2 to expand affordable rental housing. Policy 1.1.2 is part of Objective 1.1 to "produce an adequate supply of rental and ownership housing in order to meet current and projected needs." Therefore, Policy 1.1.2 is part of larger objective that promotes housing generally. While the project does not expand affordable housing options, it creates new rental and ownership housing opportunities and, therefore, helps achieve Objective 1.1.

Regarding Housing Element Policy 2.5.1, this policy is part of Objective 2.5 to "promote a more equitable distribution of affordable housing opportunities throughout the City." This objective applies to housing generally throughout the entire City and does not require that individual development projects include affordable housing. In addition, Policy 2.5.1 calls for targeting resources, policies and incentives toward the inclusion of affordable housing, and does not require that private development projects include affordable housing.

Similarly, Housing Element Policy 2.5.2 "to foster the development of new affordable housing units citywide and within each Community Plan area" under Objective 2.5 promotes affordable housing throughout the City generally and does not require the project to include affordable housing.

Program 8 under Objective 1.1 of the Housing Elements calls for the "[exploration] of the feasibility and appropriateness of creating affordable housing requirements." While this Program aspires to create affordable housing requirements, the City does not currently have an ordinance to require affordable housing in new projects. On May 31, 2016, the City's Planning and Land Use Management Committee considered a report from the Department of City Planning relative to affordable housing policy options and the feasibility of implementing a Value Capture Policy. However, a draft ordinance to implement a Value Capture Policy has not been prepared as of the writing of this Appeal Recommendation Report. Therefore, there is currently no requirement for the proposed project to include affordable housing.

Housing Element Program 73 calls for updates to community plans and transit neighborhood plans. The project does not consist of a community plan update or transit neighborhood plan update. Program 73 is part of Housing Element Objective 2.2 to "promote sustainable neighborhoods that have mixed-income housing, jobs, amenities, services and transit." The proposed project helps achieve this objective by resulting in a mixed-use development with jobs, amenities and services near public transit.

Program 99 of the Housing Element identifies incentives for affordable housing development. Program 99 also seeks to explore ways to improve affordable housing production in the Downtown Affordable Housing Bonus area. However, it does not require individual development projects to include affordable housing.

Housing Element Program 101 applies to the City's community planning processes in general. As the program states, "with each major community planning effort, establish a goal for the development of affordable housing units based on the current Regional Housing Needs

Assessment (RHNA) allocation for the City.” The Appellant’s reference to the density bonus program applies to when community plans and specific plans are adopted, or when other tools to facilitate residential development are created. The proposed project does not entail the adoption of a community plan. Finally, Program 99 calls for facilitating affordable housing development in existing Specific Plans, including Play Vista, Central City West and Cornfield Arroyo Seco. However, the project is located in the South Central Alcohol Sales Specific Plan.

Regarding consistency with General Plan Framework policies, Policy 4.1.6 is applicable to the City as a whole and is not a mandate on individual development projects. Specifically, Policy 4.1.6 asks the Department of City Planning to “create incentives and give priorities in permit processing for low- and very-low income housing developments throughout the City” and does not exclude the development of market-rate housing. Similarly, General Plan Framework Policy 4.2.1 calls for the City to offer incentives to include very low- and low-income housing in mixed-use developments generally. However, this is citywide policy goal for the City, not a requirement for affordable housing. In addition, Policy 4.2.1 is part of Objective 4.2, which “[encourages] the location of new multi-family housing development...in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods.” The project partially helps to achieve this objective by locating multi-family housing near the Metro Blue and Expo Line stations and along two transit corridors – Washington Boulevard and Broadway.

The Appellant finally asserts that the project is inconsistent with numerous other policies, programs and requirements of the General Plan, but does detail what those are. The Deputy Advisory Agency has correctly found, based on substantial evidence and as discussed beginning on page 107 of the Letter of Decision and in the analysis above, that the project is substantially consistent with the applicable objectives of the Southeast Los Angeles Community Plan to locate new housing which reduces vehicular trips, expands opportunities for existing and new businesses, enhances commercial uses in a pedestrian-oriented development, and creates new open space. In addition, the project is substantially consistent with applicable goals, policies and program from the General Plan Housing Element and Framework Element.

Appellant’s Statement–Density Bonus and Entitlement Request

- The project circumvents the existing density incentive program, the Downtown Housing Incentive Ordinance and the FAR incentive program in the draft Southeast Los Angeles Community Plan, but receives the density bonus benefits of these programs without meeting their requirements.
- The land use entitlements are obscured by the statement that “the proposed General Plan designation will be consistent with the proposed zone upon approval of Case No. CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS” and there is no evidence showing that such approvals are permitted by the City Charter or otherwise allowed by law.

Staff Response

The project does not propose to use the Density Bonus. The project is in the Greater Downtown Housing Incentive Area, which became effective in 2007 with Ordinance No. 179,076, and which allows incentives for projects within its boundaries, such as allowing floor area bonuses with the provision of affordable housing. However, the project is not using this bonus from affordable housing. It is only using the Greater Downtown Housing Incentive Area Ordinance incentives related to yard setbacks and lot-size requirements. Therefore, the applicant has applied for land use entitlement requests in accordance with the requirements of the Los

Angeles Municipal Code (LAMC). Specifically, the applicant has applied for a change in land use for the project site from industrial to commercial land uses. Finally, the LAMC does not require that all development projects use the density incentive programs. Regarding the Draft Southeast Los Angeles Community Plan (Draft Plan), this draft plan has not been adopted. Nevertheless, the project's proposed density is consistent with the proposed Community Commercial land use designation within a Transit Oriented District that would be established under the Draft Plan for the project site. The Appellant fails to explain how the project "[undermines] the city's (sic) entire affordable housing incentive structure."

Contrary to the Appellant's assertion that the projects entitlement requests are obscured, the entitlement requests were listed under the Permits and Approvals section of the project's Notice of Availability & Completion dated September 17, 2015 and in sections of the Draft EIR, including under the Discretionary Actions and Approval section of the Project Description beginning on page II-40. Regarding the Appellant's claim that the entitlement request approvals are not permitted by the City Charter or otherwise allowed by law, the 2016 Subdivision Map Act Section 66474.7 states that an advisory agency may approve maps for a governing body. Pursuant to 2016 Subdivision Map Act Section 66498.1, the tract for this project was filed as vesting and is subject to the laws in place at the time of filing. In addition, Sections 555, 556 and 558 of the City Charter permit General Plan Amendments. Regarding the Appellant's refutation of CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS as a condition of approval, LAMC Section 17.03 grants the Advisory Agency authority to conditionally approve tentative maps. The Deputy Advisory Agency has conditionally approved the proposed subdivision pursuant to the provisions of the Subdivision Map Act and contingent upon approval of the associated project entitlement requests by the City Planning Commission. Specifically, the Deputy Advisory Agency included the following condition in the Decision Letter:

Condition No. 23: Prior to the issuance of the building permit or the recordation of the final map, a copy of the CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS and CPC-2014-1772-DA shall be submitted to the satisfaction of the Advisory Agency. In the event that CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS is not approved, the subdivider shall submit a tract modification.

Therefore, the Decision Letter's statement on page 107 that the "proposed General Plan designation will be consistent with the proposed zone upon approval of Case No. CPC-2014-1771-GPA-VZC-SN-VCU-MCUP-CUX-ZV-SPR-MS" is legal and appropriate. In conclusion, the Deputy Advisory Agency has full authority to approve Vesting Tentative Tract Map No. 72914 with conditions of approval and the Appellant has failed to provide evidence to the contrary.

Appellant's Statement–Suitability of Site for Proposed Type and Density of Development

- The findings and conclusions regarding the project's suitability for the type or density of development are not supported by substantial evidence.
- Failure to acknowledge or evaluate the site's history of being zoned for industrial uses, the proposal for signage near freeways, or impacts on neighboring rental housing stock.
- Project is incompatible with existing uses in the vicinity, including the school campuses and the neighboring building to the north.

Staff Response

The Appellant incorrectly interprets the intent of the Subdivision Map Act's required findings. As stated on pages 112 and 113 of the Letter of Decision, Findings "c" and "d" relate to a proposed site's *physical suitability* for the proposed type and density of development (emphasis added). These findings are based in turn on the 2016 Subdivision Map Act Section 66474, which states

that a tentative map approval may be denied if the site is not physically suitable. The project site, as explained in Findings “c” and “d” in the Letter of Decision on pages 112 and 113, is physically suitable because it is not located in a slope stability area, high erosion hazard area or fault/rupture study zone. Section IV.F: Geology and Soils of the Draft EIR corroborates this finding, concluding that the project site has a less-than-significant geological and soil conditions impact with compliance with existing regulations related to the Los Angeles Building Code, earthwork activities, erosion control and drainage, and current building and safety design provisions of the LAMC related to seismic activity. Furthermore, with compliance with the regulatory measures and implementation of the Geology and Soils and Hazards & Hazardous Materials mitigation measures on pages IV.F-13 and IV.H-16 of the Draft EIR, the demolition of the warehouse building, parking lots and the proposed improvements to the existing Reef building do not change the physical suitability of the site.

The Appellant incorrectly analyzes non-physical aspects of the project site: the land use designation, the proposed signage, the potential impact of the project on neighboring rental housing stock, and the project’s compatibility with neighboring uses. The project site is located in a highly urbanized area near multiple public transit options and near employment centers. Therefore, the project site is suitable to accommodate growth for the proposed type and density of development. The Draft Southeast Los Angeles Community Plan is proposing a land use change for the project site to Community Commercial, which is consistent with the project’s requested General Plan Amendment. The site does not have historical uses related to industrial uses. Since 1894, the project site’s historical uses included residential and parking uses, and, in 1948, the small commercial building which now occupies the southeastern corner of the project site was built. A Unocal service station was located on the northwest corner of the East Block between 1960 and 1970. The existing Reef building was constructed in 1958.

Regarding the Appellant’s concern about the project’s proposed signage, the City Planning Department is recommending limited signage. Specifically, the recommendations include, but are not limited to, the following: the maximum height of the two project identity signs on the north facades of the residential towers shall be limited to 150 feet to the top of sign; the maximum height of the two project identity signs on the existing Reef building shall be limited to the top of existing parapet, approximately 153 feet to the top of sign; the sign on the north residential tower shall be static; Controlled Refresh I images shall remain static for one-minute; the hours of operation for Vertical Sign Zone Level 3 shall be limited from 7:00 am to 10:00 pm; and unrestricted animation and roof signs shall be prohibited.

Regarding the Appellant’s concern about the project’s impact on neighboring rental housing stock, the Appellant’s assertion that the development is “luxury housing” is incorrect. The project is proposing a mixed-use development with housing, a hotel, commercial, and open space components that include rental or condominium units. The Appellant does not provide a definition for what constitutes luxury housing. Moreover, the rents for these dwelling units are speculative at this point and, in addition, the Appellant has failed to provide substantial evidence that the project would impact neighboring rental housing stock. The Appellant states “other important considerations,” but does not detail what those are.

Regarding the Appellant’s concern about the project’s incompatibility with neighboring uses, such as the Los Angeles Trade Technical College, Santee Education Complex and the Rutland Apartments, the Letter of Decision on page 113 compares these and other uses to the project to explain the neighborhood context, including the levels of and compatibility with densities in the project vicinity. However, Finding “d,” as written on page 113 of the Letter of Decision, is related to whether “the site is physically suitable for the proposed density of development,” not whether

a project is compatible with existing, neighboring uses. As with the site's suitability for the proposed type of development, the project site is also physically suitable for the proposed density of development. As explained in the Letter of Decision, the project is introducing new residential and commercial uses on underutilized lots that mostly consist of surface parking. Because the project site is mostly vacant except for the Reef building and a small warehouse building proposed to be demolished, the site is physically capable of supporting the project's proposed density. In addition, the tract map is conditioned upon approval of the requested General Plan Amendment and Vesting Zone Change. With the approvals for these requests, the site is physically suitable for the proposed density because it complies with LAMC requirements for parking, yards and open space. In conclusion, the Appellant has not rendered substantial evidence that the project site is not physically suitable for the proposed type and density.

Appellant's Statement—Environmental Impacts from the Subdivision and Improvements

- The project's conclusion regarding the environmental impact is unsupported by substantial evidence because it will have significant and unavoidable impacts relative to Aesthetics, Air Quality and Transportation.

Staff Response

The EIR discloses the project's significant and unavoidable impacts related to Aesthetics, Air Quality and Transportation. Contrary to the Appellant's claim, the Draft EIR provided substantial evidence for these conclusions in Draft EIR sections IV.B-1: Aesthetics; IV.C-1: Air Quality; and IV.N-1: Transportation. The Letter of Decision, beginning on page 47 in section "Findings Required to Be Made by Lead Agency under CEQA", analyzes the project's potential impacts and, beginning on page 79 in section "Environmental Impact Found to Be Significant and Unavoidable," also discloses the significant and unavoidable impacts. The City recognizes that significant and unavoidable impacts remain and, accordingly, adopted a Statement of Overriding Considerations because the project's benefits outweigh and override the significant unavoidable impacts.

Appellant's Statement—Displacement and Public Health

- The tract map should be denied because of negative public health pursuant to Government Code 66474(f) [Finding "f" in the Decision Letter] due to consequences associated with the project's direct and indirect displacement threat.
- The FEIR should have analyzed economic considerations as required by CEQA and mitigated indirect displacement of residents.
- The "Reef Project Health Impact Report" (Health Impact Report) should have been addressed.

Staff Response

The Appellant has incorrectly interpreted Finding "f" in the Letter of Decision. As explained in the 2016 Subdivision Map Act in Section 66474(f), a tentative map can be denied if "the *design of the subdivision or type of improvements* is likely to cause serious public health problems" (emphasis added). Finding "f" addresses whether the design and improvement of the subdivision in and of itself affects public health. Vesting Tentative Tract Map No. 72914 involves the merger and re-subdivision of a 9.7-acre site into four ground lots and 76 airspace lots designed to accommodate the project's underground parking, Reef building basement, and above-ground levels for the project's commercial and residential uses. The design of the subdivision in and of itself does not cause public health problems. Regarding the subdivision's improvements, the Bureau of Engineering reports that since the improvements of the proposed subdivision are required to connect to the City's sanitary sewer system, where the sewage is

directed to the Hyperion Treatment Plant, the subdivision improvements do not violate the California Water Code. Therefore, no public health problems arise from discharge of effluent into the ocean. The EIR also discloses that there would be less-than-significant impacts from hazards and hazardous materials, noise, and public services with implementation of mitigation measures and compliance with existing regulations. The Appellant has not provided any substantial evidence that the design and the proposed improvements of the subdivision are likely to cause serious public health problems.

Contrary to the Appellant's claim, the EIR addresses direct and indirect displacement. The project does not directly displace existing residents. The FEIR evaluated the Appellant's claim that 40,000 people would be at risk for financial strain and/or displacement as result of the project's impacts on housing prices in the surrounding area, and found that these claims were speculative. Therefore, no substantial evidence has been presented people regarding indirect displacement resulting from the project.

The EIR also evaluated the results of the Health Impact Report and concludes that there is no substantial evidence in the Health Impact Report that the project is likely to increase property values. The Health Impact Report itself discloses that the possible effects of rising property values are speculative. In addition, contrary to the Appellant's assertion, the Draft EIR did evaluate the ways the project fosters economic or population growth and finds that the project increases employment, population and housing on the project site, but not to a level that requires the extension of major infrastructure into areas that aren't planned for urban growth. In addition, the project does not exceed forecasts of employment, population and housing growth. Finally, CEQA Guidelines Section 15131(a) states that economic or social effects of a project shall not be treated as significant effects on the environment, unless a cause and effect relationship can be established that an economic and social effect would result in an adverse *physical* effect on the environment (emphasis added). Similarly, case law, including *Preserve Poway v. City of Poway* (D066635) 4th Dist., March 9, 2016, make it clear that a project's non-physical effects are not to be treated as effects on the environment. The Appellant has not provided any new specific evidence to establish a physical effect resulting from speculative displacement. Therefore, CEQA clearly states that such speculative, non-physical effects shall not be treated as significant.

Appellant's Statement-The CEQA Process

- The FEIR should have included an environmental justice section.

Staff Response

The Appellant incorrectly contends that the FEIR should have included an environmental justice section. CEQA does not currently require an analysis of environmental justice. Nothing in the 2016 statute itself or the CEQA Guidelines, specifically in Appendix G: Environmental Checklist Form, mentions a requirement for an environmental justice analysis. Notwithstanding, State law (Gov. Code, Section 65040.12 subdivision e) defines environmental justice as "the fair treatment of all people of all races, cultural, and incomes with respect to the development, adoption, and enforcement of environmental laws, regulations, and policies." The project complies with the requirements of CEQA – including but not limited to the required comment periods for the Draft EIR and Final EIR and the public hearings to consider the requested entitlements – and, therefore, has treated members of the community fairly with respect to implementation of environmental laws. In conclusion, the Appellant's claim that the project must require an environmental justice analysis is unsupported.

Appellant's Statement–Affordable Housing

- The lack of affordable housing in the project is unacceptable considering the surrounding community.
- Offering affordable housing to help alleviate the housing crisis – as suggested by the Los Angeles County Department of Public Health (DPH) letter – and reduce greenhouse gas, air quality and transportation is not included as mitigation in the EIR.
- The City has prioritized development at all costs and expressed a lack of interest in the needs of current residents.

Staff Response

The Appellant's statement regarding the project's lack of affordable housing expresses an opinion and is not a substantive comment on the analyses presented in the Draft EIR, the Final EIR or the Letter of Decision. In addition, there are currently no State or local mandates for private development projects to include affordable housing. Since the project does not seek a Density Bonus, the project is not required to provide affordable housing. The City's density bonus policies are generally applicable Citywide, and are not mandates on individual projects. The Appellant erroneously claims that the EIR should have, but did not include affordable housing as mitigation for impacts of the project. The Appellant fails to identify the impact category for which the provision of affordable housing would serve as mitigation measure. CEQA does not require mitigation measures unless there is substantial evidence of a significant impact. Therefore, the Draft EIR is not required to provide affordable housing as a mitigation measure.

Regarding the Appellant's statement about the reduction of greenhouse gases, the Appellant fails to acknowledge that the project provides housing near transit, which, in turn, helps to reduce negative environmental effects. The provision of housing near transit areas reduces vehicle miles traveled (VMT) compared to non-transit area for all income groups. The Draft EIR explains that the project includes a 10% VMT reduction because of the project's location near transit. Finally, the Appellant's statement about the City's prioritization of development is an opinion and does not raise any substantive comments on the Draft EIR, Final EIR or Tract Map determination.

Appellant's Statement–Aesthetics

- The project's aesthetics are different from the current aesthetics of the Southeast Los Angeles neighborhood and changes should have been made including fewer signs, smaller and fewer billboards and less lighting.

Staff Response

The Appellant's statement regarding aesthetics expresses an opinion and is not a substantive comment on the analysis presented in the Draft EIR, the Final EIR or the Letter of Decision. Full disclosure of the project's impacts related to aesthetics – including the effects of project signage – are found in the Draft EIR Section IV.B-1: Aesthetics. Nevertheless, the City Planning Department is recommending limited signage. Specifically, the recommendations include, but are not limited to, the following: the maximum height of the two project identity signs on the north facades of the residential towers shall be limited to 150 feet to the top of sign; the maximum height of the two project identity signs on the existing Reef building shall be limited to the top of existing parapet, approximately 153 feet to the top of sign; the sign on the north residential tower shall be static; Controlled Refresh I images shall remain static for one-minute; the hours of operation for Vertical Sign Zone Level 3 shall be limited from 7:00 am to 10:00 pm;

and unrestricted animation and roof signs shall be prohibited. The recommended limited signage is less than that evaluated in the EIR.

Appellant's Statement—Project Description and Land Use Equivalency

- The Draft EIR's project description contains inaccuracies.
- The EIR is inconsistent because it concludes that impacts will be less than significant while at the same time providing flexibility under the Design Guidelines and Land Use Equivalency Program, which will be analyzed through separate environmental review at the time. This represents improper deferral of study and mitigation under CEQA.

Staff Response

The Appellant fails to identify specific inaccuracies in the project description. Notwithstanding, the project description is used without modification throughout the Draft EIR to evaluate potential environmental impacts and therefore meets the requirements for a project description pursuant to CEQA Guidelines Section 154124. Contrary to the Appellant's claim that the Draft EIR is inconsistent due to the Land Use Equivalency Program and Design Guidelines, the Draft EIR evaluated the potential effects of these two programs in each section of the Draft EIR. The Letter of Decision beginning on page 71 in Section N: Land Use Equivalency Program and Design Guidelines further explains that the Land Use Equivalency Program requires that potential land use exchanges do not exceed the project's PM Peak Hour or Friday Evening Hour traffic, and that no new wastewater generation is created that exceeds that of the project. In the event the applicant or subsequent applicants should choose to utilize the Land Use Equivalency Program or the Design Guidelines, the subsequent phase(s) of the project are subject to LAMC Section 106.5 (Site Plan Review) in addition to the provisions stated on page II-37 of the Draft EIR, which will be identified in a "Q" condition if the project is approved. Contrary to the Appellant's assertion, this does not represent deferred mitigation because the exchanges will have to undergo Site Plan Review and will have to comply with the requirements of CEQA through a Supplemental EIR, Addendum or Subsequent EIR. Therefore, the Appellant has not rendered any substantial evidence that the project description or Land Use Equivalency and Design Guidelines violate CEQA.

Appellant's Statement—Signage

- The FEIR fails to adequately address Public Counsel's comments on the Draft EIR, specifically Response to Comment 9-19 and Response to Comment 9-6.
- The project's proposed signage stands to eviscerate the City's ban on freeway facing billboards because the signage would "break the link between Freeway Facing Sign Ban and the City's objectives in traffic and aesthetics" according to the Ninth Circuit's *World Wide Rush LLC et al v. City of Los Angeles*.

Staff Response

Contrary to the Appellant's assertion, Public Counsel's concerns stated in their comment letter are addressed in in FEIR, including in Responses to Comments 9-5, 9-7, and 9-18. Specifically, Public Counsel claims that the DEIR fails to address the City's ban on signage within 2,000 feet of a freeway. As explained in Response to Comment 9-5, the Public Counsel letter fails to cite the full extent of LAMC Section 14.4.6, which states that signs are prohibited "unless the Department of Building and Safety has first determined that the sign will not be viewed primarily from a main travelled roadway of a freeway, or an on-ramp/off-ramp." As explained in Response to Comment 9-5, the project site signs are only visible from the Southbound I-110 at a distance of 2,200 feet from the project site and views of the signage occur for only two minutes for a

vehicle traveling at 30 miles per hour. For Northbound I-110 travelers, only the signage at the top of the hotel building is visible from a distance of 1,200 feet south of the Adams Boulevard off-ramp, but for no more than 800 feet before the freeway alignment goes below ground level. Therefore, the project signage cannot be “viewed primarily from” the I-110 freeway. The phrase “viewed primarily from” is defined in LAMC Section 14.4.6(a) as a sign being seen “with reasonable clarity for a greater distance by a person traveling on the main traveled roadway of a freeway or on-ramp/off-ramp than by a person traveling on the street adjacent to the sign.” The views of the signage from the I-110 freeway are intermittent, limited in time duration, distant and, therefore, not prominent. Similarly, project signage is not viewed primarily from the Westbound I-10 or the Eastbound I-10 as explained in the FEIR, because there are no direct, head-on views of the project site. Instead, views are oblique and, in addition, the proposed signage does not exceed the California Motor Vehicle Code threshold for light distraction. The Appellant has failed to provide substantial evidence that the project signage is “primarily viewed” from nearby freeways.

The Appellant also fails to provide substantial evidence that the project’s signage would “eviscerate” the City’s ban on freeway facing billboards according to the Ninth Circuit’s *World Wide Rush LLC et al v. City of Los Angeles*. First, as discussed above, the Appellant fails to render evidence that the project’s signage is primarily visible from freeways. Second, the Appellant’s claim is speculative, as it is contingent on a hypothetical scenario in the future. The Ninth Circuit’s 2010 *World Wide Rush LLC et al v. City of Los Angeles* does not concern the Reef project signage. The Appellant also misquotes the Ninth Circuit’s opinion as saying that the signage would “break the link between Freeway Facing Sign Ban and the City’s objectives in traffic and aesthetics.” The exact quotation on page 7597 of *World Wide Rush v. Los Angeles* is: “Here, as in *Metro Lights*, the City’s decision to permit some freeway facing billboards at the Staples Center and in the Fifteenth Street SUD does *not* break the link between the Freeway Facing Sign Ban and the City’s objectives in traffic safety and aesthetics” (emphasis added). The full quotation undermines the Appellant’s speculative claim. As mentioned previously, CEQA does not require an analysis of speculative claims. Third, the Appellant incorrectly identifies the project signage as “billboards.” As explained in FEIR Response to Comment 9-7, the project proposes visual displays that change at different rates, not billboards. Notwithstanding, the City Planning Department is recommending signage that is less than that evaluated in the EIR.

Appellant’s Statement–Nighttime Signage Illumination

- The FEIR acknowledges that the project would amount to the single largest concentration of outdoor electronic signage in the City.
- The FEIR acknowledges that nighttime signage would have a significant impact, but fails to account for impacts on the residents of the Rutland Apartment.
- The FEIR asserts that residents can draw their blinds to shield themselves from the project’s electronic signage.

Staff Response

The Appellant erroneously claims that the FEIR states that the project “would amount to the single largest concentration of outdoor electronic signage in the City.” FEIR Response to Comment 9-6, on page III-112, states that “while...the Project would substantially increase lighting levels over the existing levels, the signage at LA Live...is substantially more concentrated than the proposed signage at the Project.” The Appellant also incorrectly infers that project signage would have a significant impact on the health of residents of the Rutland Apartment. The Letter of Decision’s Statement of Overriding Considerations discloses that large

animated signs in Vertical Sign Zone 3 have a significant impact on the Rutland Apartments. However, this impact relates to the Aesthetics impacts of the project, and not to health impacts on residents. As previously stated, CEQA's primary goal is to protect the physical environment. In addition, FEIR Response to Comment 9-6 refutes the applicability of the studies cited in Public Counsel's letter on the health effects of nighttime lighting to the project. As explained in the FEIR, the studies address the health effects of indoor lighting on residents, not on external lighting. The Appellant has failed to provide substantial evidence about how the studies are applicable to the project. Finally, the FEIR does not state that residents can "draw their blinds to shield themselves from the Project's electronic signage." Page III-111 of the FEIR states that Public Counsel's cited health studies regarding indoor lighting "do not evaluate the [health] effects when one is screened from outdoor sources by being inside with the blinds drawn." Thus, FEIR Response to Comment 9-6 refutes the methodology of the study and does not recommend that residents "draw their blinds." In conclusion, the Appellant's claims about the health effects of project signage are speculative. In accordance with CEQA Guidelines Section 15384, "speculation... does not constitute substantial evidence."

PUBLIC HEARING AND COMMUNICATIONS

The Public Hearing on this matter was held at Los Angeles City Hall in Downtown Los Angeles, Room 350, 3rd Floor, on June 21, 2016 at 8:30 A.M. The hearing notice for the Public Hearing was mailed on June 7, 2016 to interested parties, and to owners and occupants within 1,000 feet of the project site, and published in the Daily Journal on May 27, 2016.

1. Present: Approximately 300 people attended the hearing including the applicant and team members, community members, members of organizations including Strategic Actions for a Just Economy (SAJE), Unite Here (Local 11), Central City Association, Esperanza Community Housing, Los Angeles Chamber of Commerce, Central City Association, Coalition for Responsible Community Development; Starbucks, South Central Neighborhood Council, and a representative from Council District 9.
2. Public Speakers: 51 total speakers, approximately 23 people spoke in opposition and/or stated concerns with the project and 28 people spoke in support of the project.
3. The Applicant's representative, Edgar Khalatian of Mayer Brown, LLP made an approximately 15 minute presentation. Mr. Khalatian provided an overview of the existing Reef Building, the project site, the project vicinity and a description of the proposed project. Below is a summary of Mr. Khalatian's comments:
 - The applicant entered into an agreement with Unite Here to ensure that the hotel workers will be unionized;
 - A project labor agreement has been reached where at least 30 percent of the project jobs would be reserved for individuals residing within Council District 9;
 - The project was designed to be community serving, open to the community and to provide a comfortable place to work, live and visit;
 - A publically accessible pedestrian path bisects the project from west block through the east block;
 - The applicant spent a significant amount of time speaking with community members as well as Blue Line riders about the type of commercial uses are lacking in the community;
 - The applicant is working with LADOT and contributing \$250,000 to provide a bike center that will include bike repair facilities, lockers and showers;
 - The applicant will contribute \$250,000 to LADOT to provide bicycle lane enhancements in the surrounding area;
 - The applicant will contribute \$500,000 to LADOT to relocate the D Dash to pass through the project site;
 - A traffic signal will be added on the east block for cars entering into the parking garage;
 - The project will include a pharmacy and grocery store;
 - The project will include 13 micro retail spaces, totaling 5,000 square feet, to encourage small businesses;
 - Spaces are designed for community events including a farmer's market;
 - A majority of the over 2,000 parking spaces will be available to the community;
 - A majority of the significant impacts identified in the EIR will be reduced to a less-than-significant level;
 - Some impacts will remain significant and unavoidable, including traffic;
 - 65 intersections were analyzed;
 - Upgrades will be made to several traffic signals with the installation of closed-circuit television;
 - Will continue to work with the council office, Planning staff, community members and community stakeholders to further define the community benefits package

4. Below is a summary of comments from speakers opposed to or concerned with one or more aspects of the project:

- We want responsible development;
- The project is requesting a long list of exceptions that should not be granted without considering the needs of the community;
- The existing community will not be able to afford living on-site;
- The project will displace thousands of families (43,000 people);
- African Americans have been displaced from South Central and now Latinos are due to a lack of opportunities and encroachment from Downtown;
- The project does not include on-site affordable housing;
- Community does not want segregated affordable housing in South Central;
- We don't need housing that we can clean but not afford to live in;
- We need full-time jobs not part time restaurant and hotel jobs;
- CD 9 has one of the largest growing homeless populations in the City;
- The project will result in gentrification, people cannot afford rents that continue to increase;
- The project will cause criminalization of community members;
- The project does not offer small business opportunities;
- The project does not include community benefits for existing residents of the area;
- The project is inconsistent with existing plans;
- Approval of a Zone Change and General Plan Amendment would exceed a Density Bonus without meeting minimum requirements;
- Approval of the Zone Change would create enormous financial value for the project; therefore, we urge the requirement of on-site affordable housing;
- The Industrial Land Use policy requires on-site affordable housing;
- The Draft South Los Angeles Community Plan update requires on-site affordable housing;
- The applicant needs to define the community benefits;
- The Health Impact Report determined that the project will result in negative health impacts on the surrounding community and gentrification that will lead to indirect displacement;
- On-site affordable housing and protection of affordable housing in the project area would help mitigate the lack of quality affordable housing and reduce homelessness;
- The proposed sign district is illegal;
- City Planning Commission just approved a city-wide sign ordinance that would not allow the proposed sign district;
- The sign regulations are an important means of protecting the City;
- The signage in Zone 3 would be hundreds of thousands square feet in size and would advertise fast food, sugary drinks and alcohol, changing advertisements every 8 seconds and running from 7:00 am to 2:00 am;
- Receiving revenue from signage is not a sufficient reason to approve;
- The developer will make millions of dollars with installation of huge electronic billboards that will not comply with current regulations;
- The signs will create massive light disruption;
- The signs will be unsafe, ugly and distracting, especially to motorists;
- Approval of a sign district will open the floodgates to projects throughout the City

5. Below is a summary of comments from speakers in support of the project:

- Developer has made many efforts to make sure the project was vetted by the community;

- The project will provide jobs (800 permanent and 2,700 construction) for the local community;
 - The project will make the community better and safer;
 - Currently the streets are very dark and scary, so the project will make the area safer;
 - This project will help keep residents in South Los Angeles;
 - The project will provide a much needed grocery store for the area;
 - The project will not cause rents to increase;
 - We are happy that we will no longer have empty lots;
 - The developer has expressed that they will provide training programs for the community;
 - The project will be an economic catalyst and investment in South Los Angeles;
 - This is not just a transit-oriented project but a community that will benefit commuters and local businesses.
6. The representative from Council District 9 spoke generally in support of the project citing four areas of concern from the community including: affordable housing; jobs and economic development; parks and youth programming; and public safety and health. The Councilman is in support of the project contingent upon a community benefits package that would truly make a positive impact in Council District 9.
7. Prior to the close of the hearing Mr. Khalatian made the following final comments:
- Not a single home will be removed by the project; therefore, no one will be displaced;
 - We understand that the City has an affordable housing crisis and we are committed to helping the City through the Council Office to address those concerns;
 - We will have a robust community benefits package with a significant affordable housing provision to benefit the CD 9 community;
 - The City Planning Commission has not approved the Sign Ordinance but has made a recommendation for adoption;
 - We are moving forward with the existing regulations for sign districts.
8. Communications Received.
- Approximately 15 letters were received which are located in the case file.