

FINDINGS

General Plan/Charter Findings

1. General Plan.

- a. **General Plan Land Use Designation.** The subject property is located within the Van Nuys - North Sherman Oaks Community Plan which was updated by the City Council on September 9, 1998.

The Plan map designates the subject property for Neighborhood Office Commercial land uses with corresponding zones of C1, C1.5, C2, C4, RAS3 and RAS4. The subject property is currently zoned C1-1 and R3P-1. The recommended Zone Change to the (T)(Q)RAS3-1VL Zone is consistent with the site's Neighborhood Office Commercial land use designation.

- b. **Land Use Element.**

Van Nuys - North Sherman Oaks Community Plan. The Community Plan text includes the following land use objectives and policies relevant to the proposed project:

Goal 1: A safe, secure, and high quality residential environment for all economic, age, and ethnic segments of the community.

Objective 1-1: Provide for the preservation of existing quality housing, and for the development of new housing to meet the diverse economic and physical needs of the existing residents and expected new residents in the Plan area to the year 2010.

Policy 1-1.1: Designate specific lands to provide for adequate multi-family residential development.

Objective 1-2: To locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities.

Policy 1-2.1: Locate higher residential densities near commercial centers, light rail transit stations, and major bus routes where public service facilities and utilities will accommodate this development.

Policy 1-2.1: Encourage multiple residential development in commercial zones.

Objective 1-3: To preserve and enhance the varied and distinct residential character and integrity of existing single and multi-family neighborhoods.

Policy 1-3.2: Consider factors such as neighborhood character and identity, compatibility of land uses, impact on livability, impacts on services and public facilities, and impacts on traffic levels when changes in residential densities are proposed.

Objective 1-5: To promote and ensure the provision of adequate housing for all persons regardless of income, age, or ethnic background.

Policy 1-5.1: Promote greater individual choice in type, quality, price, and location of housing.

Policy 1-5.3: Ensure that new housing opportunities minimize displacement of the residents.

Policy 1-5.4: Provide for development of townhouses and other similar condominium type housing units to increase home ownership options.

The recommended Zone Change to the RAS3-1VL Zone would re-zone the dually zoned property, thereby establishing one development standard for the entire site. The recommended RAS3 zone would allow for a Floor Area Ratio (FAR) of 3 to 1 (3:1) and would allow a base density of 45 units. The proposed redevelopment of the site would not result in the displacement of any existing residents as the site is not currently developed with residential uses.

The subject property is located along Metro Local Routes 162 and 163 with Metro Local Route 158 along Woodman Avenue approximately 150 feet from the subject property. While all three bus services provide access across the San Fernando Valley, they only do so with headways of not less than 30 minutes. The applicant requested a zone change to the RAS4 Zone which would allow for a base density of 91 dwelling units. However, a project having a base density corresponding to the RAS4 Zone would be better suited near a light rail transit station or along a major bus route with shorter headways. The existing infrastructure is more capable of serving a project that corresponds to the density permitted under the RAS3 Zone.

Surrounding parcels are largely made up of residentially-zoned properties within the RD1.5 and R3 zones and commercially-zoned properties within the C1 Zone. The C1 Zone permits a residential density corresponding to the R3 Zone. As such, the predominance of properties surrounding the subject site are zoned at a rate of one (1) dwelling per 800 square feet of lot area which is consistent with the RAS3 Zone. The requested Zone Change to the RAS4 Zone, while consistent with the land use designation, is not consistent with the general zoning pattern in the area and would result in a density substantially higher than other properties in the surrounding neighborhood.

There are six (6) properties within the surrounding area that are zoned C1.5 or C2 and that would allow for a density consistent with the R4 Zone. However, these properties, with a commercial zone classification, would be limited to a maximum FAR of 1.5 to 1, while the requested RAS4 Zone would be permit an FAR of 3 to 1. Therefore, the requested RAS4 Zone would result in a project with a density and mass that is out of scale with existing and future development in the area which is predominantly planned and zoned for R3 density and uses, whereas the RAS3 Zone is consistent with the R3 Zone character and identity of the existing neighborhood.

While there is one (1) property within the surrounding area that is zoned RAS4, the approved project contained 52 dwelling units and 4,000 square feet of commercial floor area which is more consistent with a development corresponding to the recommended action herein.

The project would result in a minimum of 11% units being reserved for Very Low Income Households. The RAS3 Zone would result in a project that would increase the housing stock for all persons regardless of income, age, or ethnic background,

promote greater individual choice in type, quality, price, and location of housing and provide for development of condominium type housing units to increase home ownership options.

The project, as recommended with the (T)(Q)RAS3-1VL Zone is consistent with the general zoning pattern and densities in the surrounding neighborhood and therefore consistent with the Van Nuys - North Sherman Oaks Community Plan.

- c. The **Framework Element** for the General Plan (Framework Element) was adopted by the City of Los Angeles in December 1996 and readopted in August 2001. The Framework Element provides guidance regarding policy issues for the entire City of Los Angeles, including the project site. The Framework Element also sets forth a Citywide comprehensive longrange growth strategy and defines Citywide polices regarding such issues as land use, housing, urban form, neighborhood design, open space, economic development, transportation, infrastructure, and public services. The Framework Element includes the following goals, objectives and policies relevant to the instant request:

Goal 3A: A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services, reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental justice and a healthful living environment, and achievement of the vision for a more liveable city.

Objective 3.2: Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

Policy 3.2.1: Provide a pattern of development consisting of distinct districts, centers, boulevards, and neighborhoods that are differentiated by their functional role, scale, and character. This shall be accomplished by considering factors such as the existing concentrations of use, community-oriented activity centers that currently or potentially service adjacent neighborhoods, and existing or potential public transit corridors and stations.

Policy 3.2.2: Establish, through the Framework Long-Range Land Use Diagram, community plans, and other implementing tools, patterns and types of development that improve the integration of housing with commercial uses and the integration of public services and various densities of residential development within neighborhoods at appropriate locations.

Objective 3.4: Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

Policy 3.4.1: Conserve existing stable residential neighborhoods and lower-intensity commercial districts and encourage the majority of new commercial and mixed-use (integrated commercial and residential) development to be located (a) in a network of neighborhood districts, community, regional, and downtown centers, (b) in proximity to rail and bus transit stations and

corridors, and (c) along the City's major boulevards, referred to as districts, centers, and mixed-use boulevards, in accordance with the Framework Long-Range Land Use Diagram.

As discussed above, the location of the subject property is not located near a light rail transit station nor is it located along a major bus route and as such, the applicant requested RAS4 Zone, would result in a project with double the density of the recommended RAS3 Zone and would not promote an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled and air pollution, rather, a project corresponding to the RAS4 Zone would more likely increase vehicular trips and contribute to air pollution in the area.

In addition, the requested Zone Change to the RAS4-1VL Zone would permit a density consistent with the R4 Zone, or one (1) dwelling per 400 square feet of lot area, or 91 units for the subject property. The properties surrounding the subject site are largely made up of residentially zoned properties within the RD1.5 and R3 Zones and commercially zoned properties within the C1 Zone. The C1 Zone permits a density consistent with the R3 Zone. As such, the predominance of properties surrounding the subject site are zoned for a residential density at the rate of one (1) dwelling per 800 square feet of lot area, which is consistent with the RAS3 Zone.

The recommended (T)(Q)RAS3-1VL Zone would encourage multi-family residential and mixed-use development while maintaining the density of existing stable residential neighborhoods and lower-intensity commercial district, consistent with the predominant development pattern and density otherwise permitted in the surrounding area and is consistent with the general zoning pattern and densities in the surrounding neighborhood and therefore is consistent with the Distribution of Land Use goals, objectives and policies of the General Plan Framework Element.

- d. The **Housing Element** of the General Plan will be implemented by the action herein. The Housing Element is the City's blueprint for meeting housing and growth challenges. It identifies the City's housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City's housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City. The Housing Element includes the following objectives and policies relevant to the instant request:

Goal 1: Housing Production and Preservation.

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

Policy 1.1.1: Expand affordable home ownership opportunities and support current homeowners in retaining their homeowner status.

Policy 1.1.3: Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households.

Policy 1.1.4: Expand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.

Objective 1.4: Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.

Policy 1.4.1: Streamline the land use entitlement, environmental review, and building permit processes, while maintaining incentives to create and preserve affordable housing.

Both the requested RAS4-1VL Zone and the approved RAS3-1VL Zone implement the Housing Element by increasing the housing supply consistent with the Neighborhood Office Commercial land use designation. However, a project corresponding to the RAS4 Zone would result in a base density of 91 units, while a project corresponding to the RAS3 Zone would allow 45 base units. The recommended zone change to the RAS3 Zone would result in a consistent zone across the entire site and would achieve the production of new housing opportunities, meeting the needs of the city, while ensuring a range of different housing types (studio, one- and two-bedroom rental or for-sale units) that address the particular needs of the city's households while resulting in a development that is more compatible with existing and future development in the area.

Therefore, the Zone Change to the recommended (T)(Q)RAS3-1VL Zone is consistent with the Housing Element goals, objectives and policies of the General Plan.

- e. The **Mobility Element** of the General Plan (Mobility Plan 2035) is not likely to be affected by the action herein. Sherman Way, abutting the property to the south, is a Boulevard I, dedicated to a width of 100 feet and improved with asphalt roadway and concrete curb, gutter and sidewalk. A public alley, terminating at the property from the west, is dedicated to a width of 20 feet and improved with asphalt roadway and concrete center gutter.

Upon implementation of the proposed project, a 5-foot wide strip of land along Sherman Way will be dedicated to complete 55-foot half right-of-way.

Sherman Way is included in the Transit Enhanced (Moderate Transit Enhanced Streets) and Bicycle Lane Networks (Tier 1 Protected Bicycle Lanes) in Mobility Plan 2035. The project as designed and conditioned will support the development of these Networks and meets the following goals and objectives of Mobility Plan 2035:

Policy 2.5: Improve the performance and reliability of existing and future bus service.

Policy 2.10: Provide safe, convenient, and comfortable local and regional bicycling facilities for people of all types and abilities.

The proposed project has been conditioned to permit right-turn in and right-turn out only along Sherman Way which will improve the performance and reliability of existing and future bus service and will support the implementation of the Tier 1 Protected Bicycle Lane by reducing bicycle and automobile conflicts.

Policy 3.1: Recognize all modes of travel, including pedestrian, bicycle, transit, and vehicular modes - including goods movement - as integral components of the City's transportation system.

Policy 3.7: Improve transit access and service to major regional destinations, job centers, and inter-modal facilities.

Policy 3.8: Provide bicyclists with convenient, secure and well-maintained bicycle parking facilities.

Approval of the project, along with the limited use of the driveway along Sherman Way, recognizes the all modes of travel, including pedestrian, bicycle, transit, and vehicular modes as integral components of the City's transportation system and will improve transit service.

Based on the recommended (T)(Q)RAS3-1VL Zone, the project would be required to provide approximately 71 short- and long-term bicycle parking spaces, including 67 spaces for residential parking and four (4) spaces for the commercial retail space.

The proposed project provides a total of 116 bicycle parking spaces, including 112 spaces for residential parking and four (4) spaces for the commercial retail space. A separate bicycle room for 120 bicycles is located at the western portion of the ground floor and includes a workspace to allow bicyclists to maintain their bicycles.

Policy 5.4: Continue to encourage the adoption of low and zero emission fuel sources, new mobility technologies, and supporting infrastructure.

As conditioned, a minimum of 20% of the Code-required parking spaces shall be capable of supporting future electric vehicle supply equipment (EVSE) and of those 20% EV Ready parking spaces, 5% of the total code required parking spaces shall be further provided with EV chargers to immediately accommodate electric vehicles within the parking areas.

Lastly, the Department of Transportation submitted a Traffic Impact Assessment of the proposed project, dated March 23, 2016, that determined that traffic impacts from trips generated from the project will be less than significant.

Therefore, the Zone Change to the recommended (T)(Q)RAS3-1VL Zone, as conditioned, is consistent with Mobility Plan 2035 goals, objectives and policies of the General Plan.

- f. The **Sewerage Facilities Element** of the General Plan will not be affected by the action herein. While the sewer system might be able to accommodate the total flows for the proposed project, further detailed gauging and evaluation may be needed as part of the permit process to identify a specific sewer connection point. If the public sewer has insufficient capacity then the developer will be required to build sewer lines to a point in the sewer system with sufficient capacity. A final approval for sewer capacity and connection permit will be made at that time. Ultimately, this sewage flow will be conveyed to the Hyperion Treatment Plant, which has sufficient capacity for the project.

Zone Change Findings

2. **Pursuant to Section 12.32-C of the Municipal Code, the zone change is in conformance with the public necessity, convenience, general welfare and good zoning practice.**
 - a. **Public Necessity:** On April 8, 2015, Mayor Eric Garcetti released L.A.'s first-ever Sustainable City pLAN. The pLAN is both a roadmap to achieve back to basics short-term results while setting the path to strengthen and transform our City in the decades to come. In it, the Mayor set forth a goal of creating 100,000 new housing units by 2021. Granting the Zone Change to the (T)(Q)RAS3-1VL Zone, along with the 35% Density

Bonus, will permit the construction of up to 61 residential units, thereby supporting the Mayor's goal of 100,000 new housing units by 2021 while permitting a development consistent with surrounding residential densities.

- b. Convenience: The surrounding community is an established medium density neighborhood. The proposed project would locate 61 new dwellings units within .6 miles of an LAUSD elementary school (Hazeltine Avenue Elementary), 1 mile of an LAUSD middle school (James Madison Middle School) and 2 miles of an LAUSD high school (Van Nuys Senior High). The project also abuts a commercial shopping area which includes a grocery store, financial services, restaurants, a gas station and other neighborhood-serving retail uses. Granting the Zone Change to the (T)(Q)RAS3-1VL Zone would allow the residences of the new development to shop and dine within the immediate neighborhood, as well as the opportunity to send their children to nearby schools.
- c. General Welfare: Granting the Zone Change to the (T)(Q)RAS3-1VL Zone would allow the development of a under-developed lot within an established and stable commercial and multi-family neighborhood. As discussed above, the area is served by neighborhood-serving uses such as schools, a grocery store, financial services, restaurants, a gas station and other neighborhood-serving retail uses. The Zone Change to the (T)(Q)RAS3-1VL Zone will increase the city's housing stock, while minimizing any burden placed upon the existing infrastructure, including roads and utilities.
- d. Good Zoning Practices: The recommended (T)(Q)RAS3-1VL Zone is consistent with the general zoning pattern and densities in the surrounding neighborhood and therefore is consistent with the Distribution of Land Use goals, objectives and policies of the General Plan Framework Element.
- e. "T" and "Q" Classification Findings: Per Section 12.32-G,1 and 2 of the Municipal Code, the current action, as approved, has been made contingent upon compliance with new "T" and "Q" conditions of approval. Such limitations are necessary to ensure the identified dedications, improvements, and actions are undertaken to meet the public's needs, convenience, and general welfare served by the required actions. The conditions that limit the scale, design and scope of future development on the site are also necessary to protect the best interests of and to assure a development more compatible with surrounding properties and the overall pattern of the existing multi-family residential development in the community, to secure an appropriate development in harmony with the General Plan as discussed in Finding Section 1, and to prevent or mitigate the potential adverse environmental effect of adding additional multi-family dwellings to the established neighborhood.

Density Bonus/Affordable Housing Incentives Compliance Findings

3. **Pursuant to Section 12.22-A,25(c) of the L.A.M.C., 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 City Planning Commission to make a finding that the requested On-Menu Incentive or Off-Menu

Waiver 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% gross income based on area median income thresholds dependent on affordability levels.

Requested On-Menu Incentive

The list of On-Menu Incentives in Section 12.22-A,25 of the L.A.M.C. were pre-evaluated at the time the Density Bonus Ordinance was adopted to include types of relief that minimize restrictions on the size of the project. As such, the City Planning Commission 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.

Height Limit: The RAS3-1VL Zone restricts buildings to a height limit of 50 feet. As proposed, the project has a height of 60 feet, which exceeds the height limit by 10 feet. The additional 10 feet will allow for the construction of the 5th story to accommodate 17 dwelling units, which would help alleviate the project's costs of providing the affordable units.

Requested Off-Menu Waiver

The requested Off-Menu Waiver for number of stories are not expressed in the Menu of Incentives per Section 12.22A,25(f) of the L.A.M.C. and, as such, are subject to Section 12.22-A,25(g)(3) of the L.A.M.C., 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 pro forma along with an independent third-party Feasibility Analysis, attached as Exhibit C, of the pro forma. The pro forma evaluated four (4) scenarios. Scenario 1 evaluated a project with 44 market rate units, five (5) affordable units and 1,500 square feet of retail that achieves a 1.4:1 FAR, without a density bonus or other incentives; Scenario 2 evaluated a project with 58 market rate units, five (5) affordable units and 1,500 square feet of retail that achieves a 1.5:1 FAR, with a density bonus and on-menu height incentive; Scenario 3 evaluated a project with 70 market rate units, five (5) affordable units and 1,500 square feet of retail that achieves a 2.1:1 FAR, with a density bonus, on-menu height incentive and zone change; and Scenario 4 evaluated the proposed project with 85 market rate units, five (5) affordable units and 1,500 square feet of retail, with a density bonus, on-menu height incentive, off-menu additional stories incentive, and zone change, that achieves a 2.7:1 FAR.

The submitted pro forma has been reviewed by a California Certified General Appraiser who submitted a Feasibility Analysis and found that of the four (4) scenarios, only the fourth scenario was feasible.

The requested Off-Menu Waivers allow the developer to expand the building envelope to allow for the construction of the density bonus units and increase the overall space dedicated to residential uses. These waivers support the applicant's decision to set aside five (5) units for Very Low Income Households for a period of 55 years, as described below:

Story Limit: The Van Nuys - North Sherman Oaks Community Plan designates the subject property for Neighborhood Office Commercial land uses. Properties designated for Neighborhood Office Commercial land uses are subject to Footnote No. 2 of the Community Plan which limits buildings to three (3) stories. The limitation on the number of stories restricts the ability to develop the site to its maximum density and provide dwelling units of a sufficient size while also setting aside dwelling units for Very Low Income Households. Specifically, the additional two (2) stories will allow for the construction of the 4th and 5th stories, accommodating 17 dwelling units.

- b. The Incentives/Waivers **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 incentive 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" (Section 12.22-A,25(b) of the L.A.M.C.). 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 guidelines 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 a Mitigated Negative Declaration (MND) (ENV-2015-2425-MND), and it was determined that the proposed project may have a significant impact on the following environmental factors: aesthetics; land use and planning; noise; and public services. However, mitigation measures will reduce impacts to less than significant levels, and are imposed as Conditions of Approval herein (Conditions No. 14 through 21). 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.

Site Plan Review Findings

4. **The project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable Community Plan.**

The project approved by the City Planning Commission, including the recommendation for a Zone Change to the (T)(Q)RAS3-1VL Zone, limits the subject property to a base density of 45 units. Therefore, the project does not require Site Plan Review approval and as such, the Site Plan Review request is hereby denied without prejudice.

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

The project approved by the City Planning Commission, including the recommendation for a Zone Change to the (T)(Q)RAS3-1VL Zone, limits the subject property to a base density of 45 units. Therefore, the project does not require Site Plan Review approval and as such, the Site Plan Review request is hereby denied without prejudice.

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

The project approved by the City Planning Commission, including the recommendation for a Zone Change to the (T)(Q)RAS3-1VL Zone, limits the subject property to a base density of 45 units. Therefore, the project does not require Site Plan Review approval and as such, the Site Plan Review request is hereby denied without prejudice.

Environmental Findings

7. **Environmental Finding.** A Mitigated Negative Declaration (ENV-2015-2425-MND) was prepared for the proposed project. On the basis of the whole of the record before the lead agency including any comments received, the lead agency finds that, with imposition of the mitigation measures described in the MND there is no substantial evidence that the proposed project will have a significant effect on the environment. The mitigation measures have been made enforceable conditions of the project. The attached Mitigated Negative Declaration reflects the lead agency's independent judgment and analysis. The records upon which this decision is based are with the Environmental Review Section of the Planning Department in Room 750, 200 North Spring Street.
8. **Flood Insurance.** The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this project is located in Flood Zone X, areas determined to be outside the 0.2% annual chance floodplain. Currently, there are no flood zone compliance requirements for construction in these zones.