

## FINDINGS

### A. Density Bonus/Affordable Housing Incentives Compliance Findings

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

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

The proposed mixed-use building consists of two street frontages, the north elevation which faces Melrose Avenue and the east elevation which faces Beachwood Drive. As shown in Exhibit A, the building provides breaks in the plane along both the northern and eastern elevations. The southern elevation provides breaks to accommodate balconies and additional articulation. The western elevation provides breaks to accommodate open space. As indicated in the exhibit, the elevations will include alternating materials. The ground level transparency façade creates a pedestrian-scaled project at the street level. The building is designed with individual unit balconies and building façade cutouts, which provide substantial breaks in the building wall. The use of “solids and voids” in the architectural expression also helps to create visual interest within the Project distinct from a typical apartment building. The street level of the building is also designed in a pedestrian scale, with glass door and windows leading to the lobby and vertical circulation.

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

As previously described, the project site has frontage along Melrose Avenue and Beachwood Drive. The frontage along Melrose Avenue provides glass store frontages for the 5,500 square feet of commercial space. The frontage along Beachwood Drive includes the continuation of the glass store frontage, as well as the main entrance for the residential dwelling units.

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

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

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

The project site is located at the southwest corner of Melrose Avenue, a designated Avenue II, and Beachwood Drive, a designated Local Street – Standard. Melrose Avenue is dedicated to a width of 80 feet. Beachwood Drive is dedicated to a width of 60 feet. The project is not located in a Hillside Area, nor is it located in a Very High Fire Hazard Severity Zone.

Pursuant to Section 12.22 A.25(g) of the LAMC, the Commission shall approve a density bonus and requested incentive(s) unless the Commission finds that:

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

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

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

The requested off-menu incentives, which are a request for an increase in the number of stories and an increase in height are not expressed in the Menu of Incentives per LAMC 12.22-A,25(f) and, as such, are subject to LAMC 12.22-A,25(g)(3).

The requested on- and off-menu incentives allow the developer to expand the building envelope so the additional five (5) Restricted Affordable units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the applicant's decision to set aside seven units for Very Low Income households for a period of 55 years.

#### Requested On-Menu Incentive

*Floor Area Ratio:* The proposed project requests an increase in the Floor Area Ratio (FAR) from 1.5:1 to 2.02:1 for the portion of the site which is zoned C2-1VL and 3:1 to 4.05:1 for the portion of the site that is zoned R3-1. The permitted 1.5:1 and 3:1 FAR would restrict the building envelope and limit the ability to construct the residential units permitted by right in conjunction with the commercial square footage. The increase in FAR allows for an FAR average of 2.57:1 over the entire site which is below the permitted FAR for adjacent properties which are zoned for multi-family development and are permitted a maximum 3:1 FAR. The additional FAR would allow for the construction of units which are sufficient in size and developed throughout the entirety of the site.

*Averaging of Floor Area Ratio, Density, Open Space, Parking, and Vehicular Access:* The project site is comprised of three parcels which are zoned C2-1VL and one parcel that is zoned R3-1, with the R3 Zone as the more restrictive zone. As proposed, the project would develop the four parcels with one building, which would unify the site. However, the Zoning Code would require that the building not exceed the maximum permitted FAR and density in each of the zones. This would result in either reduced units or a larger building envelope within

either portion of the site. Averaging the FAR and density between the zones would allow for the dwelling units to be of a sufficient size and the development of the Restricted Affordable Units within the proposed building envelope. Additionally the Zoning Code restricts the ability to provide the required open space and accessory uses (parking) within a more restrictive zone. The averaging of open space, parking, and vehicular access between the two zones would allow for a practical design which best utilizes the site and provides easy access to the open space and parking for the proposed building.

#### Requested Off-Menu Incentive

*Height and Story Limit:* Height District 1-VL and 1 restricts the height of buildings in the C2 and R3 Zone to a maximum of 45 feet. Additionally, mixed-use buildings within the C2 Zone are limited to three stories, where buildings which are 100 percent residential are not limited in the number of stories. The limitation on the number of stories for mixed-use buildings could limit the ability to construct the residential dwelling units permitted by-right and the Restricted Affordable Units which are of a sufficient size. The building as proposed would have a maximum height of 56 feet and would have a total of five-stories. As proposed, the additional 11 feet and 2-stories would allow for the construction of 11 additional units within the C2 Zone and 3 units within the portion of the site zoned R3.

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

There is no evidence that the proposed incentives will have a specific adverse impact. A “specific adverse impact” is defined as, “a significant, quantifiable, direct and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete” (LAMC Section 12.22-A.25(b)). The proposed Project and potential impacts were analyzed in accordance with the City’s Environmental Quality Act (CEQA) Guidelines and the City’s L.A. CEQA Thresholds Guide. These two documents establish 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 determined that the proposed Project is categorically exempt per Article III, Section I, Class 32, as further discussed in Finding 3. Further there is no historic resource on this site or adjacent sites. 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, or on property listed in the California Register of Historic Resources.

#### Environmental Findings

- 3. Environmental Finding.** The Department of City Planning determined that the Project is exempt from CEQA pursuant to CEQA Guidelines Section 15332, Class 32, and that there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines, Section 15300.2 applies.

On March 15, 2017, the Department of City Planning issued ENV-2016-4317-CE and found that the Project qualifies as an in-fill development under the Class 32 exemption as it meets the following conditions:

- a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- c) The project site has no value as habitat for endangered, rare or threatened species;
- d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality;
- e) The site can be adequately served by all required utilities and public services.

The Environmental Narrative and supplemental technical studies can be found attached to and in the case file for ENV-2016-4317-CE.