

June 26, 2018

**BY HAND DELIVERY**

Council President Herb J. Wesson, Jr.  
Los Angeles City Council  
200 North Spring Street  
Los Angeles, CA 90012

Re: Council File Nos. 17-0782 and 17-0782-S1

President Wesson and Honorable Councilmembers:

This letter is submitted on behalf of Capri Urban Baldwin, LLC and Capri Urban Crenshaw, LLC (collectively, "Capri") - applicant in Planning Case Nos. CPC-2015-4398-GPA-ZC-HD-ZAD-CU and CPC-2016-3681-DA as reflected in the City Council Files referenced above. Capri's applications to undertake redevelopment of the Baldwin Hills Crenshaw Plaza shopping center as a mixed-use transit-oriented master plan development (the "Project") are before you for your consideration. We respectfully request that you approve the Project as recommended by the Planning and Land Use Management Committee.

At its hearing on June 5, 2018 the Planning and Land Use Management ("PLUM") Committee unanimously recommended approval of the above referenced cases and denied a group of administrative appeals of the City Planning Commission's action. The appeals were largely the same in form and substance, and without merit. At the PLUM Committee's hearing a number of appellants and their representatives made public comments and submitted materials to the City's record. In general the matters raised in connection with the hearing were included within the issues raised within the various justifications of appeal. Those issues were addressed by the Advisory Agency, City Planning Commission ("Commission") and applicant during the underlying approval and environmental review process. In addition the City addressed those issues in the report to the PLUM Committee prepared by the City Planning Department. Capri concurs with the City, and submitted a lengthy letter to the PLUM Committee with detailed responses to the issues raised in the appeals.

Although the issues have been well and fully addressed previously, we have prepared this letter to respond to the particular issues raised by appellants at the PLUM Committee's hearing, including materials submitted by appellants to the PLUM Committee. In brief, this letter addresses the following topics to aid in the Council's consideration: certification of the Baldwin Hills Crenshaw Plaza Master Plan EIR No. ENV-2012-1962-EIR and Errata, SCH No. 2008101017 (the "EIR"); the project description and future Site Plan Review; the thoroughness of the Transportation Study; the EIR's analysis of greenhouse gas emissions; and gentrification and displacement.

**1. The Project EIR Was Properly Certified by the Advisory Agency, and the CPC Made the Appropriate CEQA Findings**

Our letter to the PLUM Committee dated June 4, 2018 (“June 4 Letter”) addresses the proper certification of the EIR at length. We refer you to that letter for a more expansive discussion of this topic, and briefly summarize the following key points:

- The Advisory Agency - acting as an official decision-making body for the City - issued a determination approving the Project’s Vesting Tentative Tract Map (VTT-73675) and certifying the Final Environmental Impact Report for the Project (EIR No. ENV-2012-1962-EIR and Errata, SCH No. 2008101017) following a public hearing.
- There were no administrative appeals filed to the Advisory Agency determination, including certification of the Final EIR.
- CEQA empowers certain nonelected decision-making bodies, such as the City’s Advisory Agency, to certify environmental review documents. (Public Resources Code § 21151, subdivision (c).) Pursuant to the Los Angeles Municipal Code (“LAMC”), the Advisory Agency is such a “decision-making body” authorized to decide whether to approve the Project or not. (LAMC § 17.03.) Under CEQA, this process was sufficient to certify the Final EIR for the Project.
- Because the Final EIR for the Project was properly certified by the Advisory Agency and no appeals from that decision were filed, CEQA does not allow the City to conduct additional environmental review unless: “Substantial changes are proposed in the project which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;” “Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;” or “new information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete ... shows any of the following: (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration; (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR; (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.” (CEQA Guidelines, § 15162, subd. (a).)

- After the Planning Commission reviewed the previously-certified Final EIR for the Project, it determined (as reflected in its determination letter dated August 3, 2017 with respect to Case No. CPC-2015-4398-GPA-ZC-HD-ZAD-CU) that neither subsequent nor supplemental environmental review of the Project was necessary. Nor did Appellants identify any substantial changes to the Project, its circumstances, or underlying information either prior or subsequent to that Planning Commission determination. (See CEQA Guidelines, § 15162.)
- Lacking any evidence that would justify preparation of a subsequent or supplemental EIR, the City Council must rely on the previously-certified Final EIR in making its decision on the requested legislative entitlements.

## **2. Project Description and Future Site Plan Review**

A letter was submitted at the PLUM Committee hearing on behalf of one appellant (Crenshaw Subway Coalition, et al.) by Ms. Beverly Grossman Palmer (the “Appellant Letter”). That letter takes issue with the entitlement of the Project as a master plan, stating “the conditions of approval require the applicant to separately submit for the required Site Plan Review” and “The implication of these ‘conceptual’ plans and the absence of concurrent Site Plan Review is that everything about the project is up for change.”

The (Q) Qualified Conditions of Approval (“(Q) Conditions”) expressly require Site Plan Review pursuant to LAMC § 16.05 “prior to the development of each proposed project component (e.g. residential, retail village, office, hotel, parking structures.” ((Q) Condition 5, Site Plan Review.)

The Site Plan Review process is detailed in LAMC § 16.05.G. In brief, the process includes environmental review and a noticed public hearing conducted by the Director of City Planning. The determination of the Director of City Planning may be appealed, and (Q) Condition 5 specifies, among other things, that: “Appeals shall be heard by the City Planning Commission, the original decision-maker, in lieu of the Area Planning Commission as otherwise specified in LAMC Section 16.05-H,1.”

The Site Plan Review process requires specific details including for interior floors and room layout. This level of detail does not change the Project as the letter suggests, nor is the Project required to design to this level of detail and seek Site Plan approval at this time. In fact, (Q) Condition 1 sets forth a detailed Project Description including the program of uses (retail/restaurant, office, hotel and residential) with square footages attributable to each.

Further, pursuant to (Q) Condition 2, Site Development, “the project must be in substantial conformance with the plans and materials stamped “Exhibit A” and dated March 2017, and attached to the subject case file.

The assertions in the Appellant Letter are incorrect. The (Q) Conditions include a specific Project Description, with specific square footages, and require development in substantial conformance the approved plans.

**3. The Transportation Study and Mitigation Measures Derived from it were Completed in Accordance with City Processes and CEQA**

The Transportation Study was completed by Gibson Transportation Consulting, Inc., and analysis based thereon was included within the EIR. (Draft EIR Chapter V.L. - Transportation and Circulation and Appendix H - Transportation Study for the Baldwin Hills Crenshaw Plaza Shopping Center.) Both were completed consistent with CEQA and the standards and methods of the Los Angeles Department of Transportation ("LADOT") for analyzing project impacts. Mitigation measures included within the EIR were developed in accordance with LADOT's prioritization system and pursuant to LADOT's Transportation Impact Study Guidelines.

The Appellant Letter encloses a memorandum from Robert Kahn of RK Engineering Group that expresses comments with respect to the Transportation Study and related EIR discussion. Gibson Transportation has prepared a response to Mr. Kahn's comments, which is enclosed as Exhibit A to this letter (the "Gibson Letter").

As indicated in the Gibson Letter, Mr. Kahn's memorandum does not contain evidence to substantiate his comments, all traffic and parking related impacts of the Project were sufficiently identified in the EIR and Transportation Study; and all feasible mitigation measures have been identified to reduce those impacts.

In addition, consistent with CEQA Guidelines, § 15126.6, the Draft EIR articulated five alternatives to the Project and assessed each with respect to potential environmental impacts and the achievement of the Project objectives set forth in the EIR. The Commission's Letter of Determination with respect to Planning Case Nos. CPC-2015-4398-GPA-ZC-HD-ZAD-CU describes the analysis and conclusion that none of the alternatives would be superior to the Project as each was deemed infeasible and less desirable than the Project.

**4. Appellant's Late Comments Concerning the EIR Greenhouse Gas Analysis Fail to Recognize the EIR's Multi-Layered Analysis and Project Features that will Reduce Greenhouse Gas Emissions**

The Appellant Letter to the PLUM Committee challenges the validity of the impact analysis of the Project's emissions of greenhouse gases ("GHG") in the EIR. At the outset, it should be noted that no person, including the appellant, submitted any comments or testimony concerning the sufficiency of the GHG analysis until *after* the Commission's approval of the Project. The Draft EIR was circulated for public review on December 18, 2014, the revised portions of the Draft EIR were circulated for public review on January 28, 2016, the Advisory Agency held a hearing on the Project on December 21, 2016, the Advisory Agency certified the



EIR on January 18, 2017, and the Commission held a hearing on the Project on July 13, 2017. At no time during that process did anyone raise any issues or submit any comments concerning the GHG analysis in the EIR.

In its belated challenge to the GHG analysis, the Appellant Letter asserts that “there is nothing that the developer is doing at the site that is actually reducing Greenhouse Gas emissions.” However, in addition to establishing a mobility hub on the Project site and constructing pedestrian enhancements to that hub to facilitate its use, the Project includes a number of design features that will reduce GHG emissions, such as energy efficiency measures, water conservation measures and transportation demand measures. (DEIR, p. IV.C-25.) Further, the mixed-use nature of the Project is one of the key land use strategies recognized by the State that can substantially reduce GHG emissions. (See *Cleveland Nat’l Forest Found. v. San Diego Ass’n of Gov’ts* (2019) 3 Cal.5th 497, 597 [“mixed-use projects consistent with” a sustainable communities strategy to reduce GHG emissions “are subject to streamlined CEQA requirements”], citing Pub. Resources Code, § 21159.28; see also Cal. Air Resources Bd., *California’s 2017 Climate Change Scoping Plan* at p. 97 (Nov. 2017) [“For example, local governments can develop land use plans with more efficient development patterns that bring people and destinations closer together in more mixed-use, compact communities that facilitate walking, biking, and use of transit.”], available at [https://www.arb.ca.gov/cc/scopingplan/scoping\\_plan\\_2017.pdf](https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf).)

Appellant also cites the Supreme Court decision in *Center for Biological Diversity v. Cal. Dep’t of Fish & Wildlife* (2015) 62 Cal.4th 204 and asserts that the GHG analysis in the EIR did not comply with that court decision. However, the Supreme Court in that case expressly recognized that “[t]o the extent a project’s design features comply with or exceed the regulations in the Scoping Plan and adopted by the Air Board or other state agencies, a lead agency could appropriately rely on their use as showing compliance” with CEQA. (62 Cal.4th at p. 229.) That qualitative approach has been approved by various courts of appeal in decisions rendered after the Supreme Court decision in *Newhall*. (See *Mission Bay Alliance v. Office of Cmty. Invest. & Infrastructure* (2016) 6 Cal.App.5th 160, 198–203 [holding project that complied with qualitative local energy efficiency and conservation standards designed to reduce GHG emissions satisfied CEQA, even without “quantitative” analysis]; *Ass’n of Irrigated Residents v. Kern Cnty. Bd. Supervisors* (2017) 17 Cal.App.5th 708, 741–744 [holding project compliance with statewide cap-and-trade program sufficient to prove “no significant effect on the environment” after “good-faith effort” to estimate GHG emissions]; *City of Long Beach v. City of L.A.* (2018) 19 Cal.App.5th 465, 491–494 [holding EIR adequate where project was consistent with state and local plans and policies to encourage efficient fossil fuel use, despite quantitative analysis showing net-increase in emissions].)

Among other analyses used to evaluate GHG impacts, the EIR analyzed the Project’s consistency with regulations, plans, and policies promulgated to reduce GHG emissions, including the California Air Resources Board’s *Climate Change Scoping Plan*, the Southern California Association of Governments 2016–2040 Regional Transportation Plan/Sustainable Communities Strategy, the City’s Green LA Action Plan, and the Los Angeles Green Building Code. (Project EIR at pp. IV.C-7–IV.C-14, IV.C-21–IV.C-29.) Further, in response to the

appeals filed after the CPC decision, the City undertook a further analysis of the Project's consistency with state, regional and local policies and regulatory programs. (See Appendix D to Department of City Planning Environmental Analysis Section Responses to Planning Commission Appeals, February 2018.) Based on substantial evidence, the City determined that the Project would be consistent with those policies and programs aimed at reducing GHG emissions. Nothing more is required.

Finally, appellant provides no authority for its assertion that the methodology used in the EIR for quantifying the Project's GHG emissions and future reductions was legally improper. Instead, appellant merely points to the fact that certain assumptions concerning the *future* scenario used in the GHG analysis eventually came to pass, namely the development of transit in the vicinity of the Project site. Yet, the evolving nature of future scenarios in CEQA documents cannot invalidate the baseline scenario used in CEQA documents, otherwise CEQA documents would always be subject to constant revision and recirculation throughout the often lengthy administrative process. (*North County Advocates v. City of Carlsbad* (2015) 241 Cal.App.4th 94.)

**5. CEQA Does Not Require Review of Strictly Economic and Social Effects; and the Appellants Fail to Demonstrate a Causal Relationship Between the Project and Alleged Gentrification and Displacement or Physical Changes to the Environment Resulting from Alleged Gentrification and Displacement**

The administrative appeals filed following the Commission's determination alleged the Final EIR for the Project did not adequately address potential gentrification and related displacement of area residents. The June 4 Letter speaks in depth regarding the state of the law with respect to CEQA and the absence of legal support with respect to the appellants' efforts to cast gentrification and displacement as matters which should have been reviewed pursuant to CEQA. The well-established purpose of CEQA is to provide "detailed information about the effect which a proposed project is likely to have on the environment." (Pub. Resources Code, § 21061.) The CEQA Guidelines dictate that "[e]conomic and social effects of a project shall not be treated as significant effects on the environment" except when those social and economic effects will result in significant "physical changes" to the environment. (CEQA Guidelines, § 15131, subd. (a); *id.*, § 15064, subd. (e).) It is therefore incumbent on a party claiming some physical change caused by economic or social effects of a project to produce evidence of that alleged physical change, especially when an EIR has already been certified as it has in connection with the Project. (See *Melom v. City of Madera* (2010) 183 Cal.App.4th 41, 54–55 [holding additional CEQA review of "urban decay" effects not required after EIR certified when "[n]o one presented any evidence or argument that approval of the project . . . might result in urban decay"].)

In addition to responding to the erroneous legal arguments contained in the appeals and reiterated at the PLUM hearing, the June 4 Letter demonstrated that prior to the PLUM hearing, the appellants presented no evidence that the Project would result in gentrification and displacement with resulting significant effects on the environment. The same is true today. The appellants submitted copious materials at the PLUM hearing on June 5, 2018. The materials

submitted by appellants include academic papers, advocacy materials and media coverage related to homelessness, the social determinants of health and income inequality and gentrification and displacement. The materials range in age with the oldest dating to 1981. The geographic orientation of the materials extends to cities in the eastern United States such as Boston, New York, Philadelphia and Atlanta, as well as Canada, the United Kingdom, Australia, China, Turkey and elsewhere. While the various academic papers discuss a number of urban policy matters, those papers are not related to the Project or its impacts on the environment.

Three related documents among the approximately 165 documents submitted by appellants appear to have been prepared for the purpose of review of the Project: A Health Impact Assessment of Baldwin Hills Crenshaw Plaza Redevelopment Project, Advisory Committee Meeting, April 10, 2018; Health Impact Assessment of Baldwin Hills Crenshaw Plaza Redevelopment Plan, Excerpt: Projected Displacement Impact Summary; and Briefer: A Health Impact Assessment of Baldwin Hills Crenshaw Plaza Redevelopment Project, prepared by Huibin A. Chew, June 5, 2018. Those documents are addressed below and referred to collectively as the “Health Impact Assessment.”

Kosmont Companies has prepared a response to the Health Impact Assessment that is enclosed as Exhibit B to this letter. The nationally recognized real estate, financial advisory and economic development consulting services firm reviewed conditions within the 18 U.S. Census Tracts that surround the Project site. They concluded that the Health Impact Assessment:

“is predicated on an inadequate set of assumptions and analyses that lead to unsubstantiated conclusions and causal relationships that have not been proven. The HIA also fails to recognize the diversity of socio-economic conditions that exists in the area around the BHCP Project site.”

Kosmont also points out: “the HIA methodology of local resident interviews and surveys does not represent scientific analysis of potential displacement impacts, but rather opinions of less than 0.3% of the local population.”

The Kosmont analysis demonstrates the potential benefits of the Project’s proposed mixed rate housing and commercial uses such as a hotel, new retail and restaurants and office – including “a basic law of housing economics, which states that increasing an area’s housing supply places downward pressure on housing prices, thereby countering adverse impacts to housing affordability. The BHCP Project does exactly this by increasing the local housing supply by up to 961 units ... on a currently 100% commercial site near multiple transit opportunities (rail and bus) without removing a single housing unit from the area’s existing housing supply.”

As Kosmont’s well documented review of the 18 Census Tracts surrounding the Project makes clear, the Health Impact Assessment fails to demonstrate a causal relationship between the Project and gentrification and displacement and likewise fails to demonstrate a chain of causation linked to physical impacts given the limitations of even more robust analyses based upon more rigorous and well accepted research methodologies.

Returning to the contentions expressed within the Appellant Letter, which references the Health Impact Assessment, in a situation, such as here, where “Appellants present no evidence that any significant physical changes to the environmental will result from” the economic and social effects of the Project as supposed by the appellants, the City “was not required to address the economic impacts of the Project.” (*Gray v. Cnty. of Madera* (2008) 167 Cal.App.4th 1099, 1121.)

Taken in the most favorable light, the Health Impact Assessment suggests that residents of an area that radiates two miles in each direction from the Project is experiencing rent and mortgage burdens which may be accompanied by stress and other undesirable health factors. Still the Health Impact Assessment fails to offer evidence to suggest that such burdens are or would be attributable to the Project. Further, the argument put forward by the appellants would seemingly apply to any improvement project undertaken by the City or with its approval during a period of economic and property value growth.

Reduced to its essence, the only connection between the Project and the alleged displacement of individuals from the Crenshaw community is speculation. The City is not authorized to re-open the Final EIR on the basis of such speculative impacts. According to the CEQA Guidelines, an “indirect physical change” caused by economic and social effects may “be considered only if that change is a reasonably foreseeable impact which may be caused by the project.” (CEQA Guidelines, § 15064, subd. (d)(3).) When an indirect physical change “is speculative or unlikely to occur,” that change is not “reasonably foreseeable” and may not intrude on the analysis otherwise required for an EIR. (*Ibid.*; see also *id.*, § 15145 [directing lead agency to “terminate discussion” of speculative impacts “after thorough investigation”].)

Such is the case here, where appellants have not offered any evidence that the Project will result in physical changes to the environment. The rule prohibiting speculative analysis “rests on both economic and practical considerations . . . premature attempts to evaluate effects that are uncertain to occur or whose severity cannot be reliably measured is a needlessly wasteful drain on the public fisc.” (*Citizens for a Sustainable Treasure Island v. City and Cnty. of S.F.* (2014) 227 Cal.App.4th 1036, 1061 [holding additional CEQA review not required based upon speculative concern that project would be redesigned].)

Based upon established case law, appellants must establish some “physical deterioration” of the surrounding environment akin to “urban decay.” (See *Placerville Historic Preservation League v. Judicial Council of Cal.* (2017) 16 Cal.App.5th 187.) This is the standard for economic and social effects found actionable under CEQA related to allegations of “business displacement.” The allegations of economic and social effects for “people displacement” here do not rise to that standard. Instead, the evidence shows the Project will be beneficial to the community, especially in terms of housing.

The Final EIR determined that “substantial evidence supports the conclusion” that the impact from the alleged displacement of people “is less than significant.” (*Anderson First Coal. v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1183.) The Final EIR comprehensively evaluated the “potential impacts related to population, housing and employment growth

associated with the development of the Proposed Project.” (EIR IV.J-1.) The Final EIR found the residential component of the Project “would create a substantial benefit to the City and surrounding region by creating a notable amount of needed new housing.” (*Id.* at p. IV.J-13.) Moreover, the Final EIR determined the Project “would not cause population growth that exceeds projected forecasts,” and therefore the Project “would not result in an adverse physical change in the environment.” (*Id.* at p. IV.J-13.) Because the Project “is located in a highly urbanized environment and is surrounded by a mix of urban land uses,” the Final EIR found the new housing “would be appropriate, and impacts associated with this issue would be less than significant.” (*Id.* at p. IV.J-16.) The Final EIR likewise noted that “impacts due to the displacement of jobs (and therefore, people), including the associated need for replacement housing, would be less than significant.” (*Id.* at p. IV.J-21.) Ultimately, the Final EIR concluded the “impacts related to housing growth” from the Project “would be beneficial and would not be significant.” (*Id.* at p. IV.J-28.)

In these circumstances, appellants face a high hurdle to demonstrate that the economic and social effects of alleged displacement will result in a physical change in the surrounding environment requiring CEQA review. Because it found substantial evidence that the Project would not cause displacement, the “City was not obligated to further analyze this claimed indirect impact.” (*Anderson First Coal., supra*, 130 Cal.App.4th at p. 1183.) To overcome that substantial evidence, appellants would need to conclusively prove that the alleged economic or social effects of displacement will result in “physical deterioration” of the surrounding environment. (*Id.* at p. 1183.) “It is important to note that much of the case law” governing economic and social effects requiring CEQA review “has developed in circumstances . . . in which the city authorized the construction of two enormous stores that could make superfluous a range of smaller stores and thereby create a risk of widespread business failures.” (*Placerville Historic Preservation League v. Judicial Council of Cal.* (2017) 16 Cal.App.5th 187, 200.) In those cases, the economic and social effects of the retail “superstores” were alleged to cause “urban decay,” which “is a relatively extreme economic condition.” (*Id.* at p. 197.) Even when a project “may drive smaller retailers out of business [that] is not an effect covered by CEQA.” (*S. Orange Cnty. Wastewater Authority v. City of Dana Point* (2011) 196 Cal.App.4th 1604, 1614.) Instead, there must be evidence to “provide a sufficient basis to infer the long-term detriment necessary to result in physical deterioration.” (*Placerville, supra*, 16 Cal.App.5th at p. 199.) Such a situation stands in contrast to revitalizing development, which is not subject to CEQA, as it generates “activities producing a level of commerce similar to that removed.” (*Id.* at p. 200–201 [holding that relocation of courthouse did not require CEQA review of economic and social effects related to diminished commerce in the area].)

The same reasoning that governs allegations of business displacement under CEQA should apply to the allegations here that the Project will displace current residents. When Appellants claim that people will be displaced by the Project, they must adduce substantial evidence that the displacement will also cause some “physical deterioration” in the environment akin to “urban decay.” (See *ibid.*) But the overwhelming weight of the evidence establishes the Project will help revitalize the community, not cause its physical deterioration. Far from causing any “risk of widespread” residential vacancies—similar to prospective retail vacancies that



require CEQA review of business displacement—the Project brings desperately needed housing that will benefit the area and surrounding region. (See *Placerville, supra*, 16 Cal.App.5th at p. 197.) Even Appellants acknowledge the problem is not that residences in the community will be vacant, but that they will be occupied by different people than they are now.

“In a dynamic urban environment . . . change is commonplace.” (*Placerville, supra*, 16 Cal.App.5th at p. 197.) People and businesses are regularly forced to move based on economic and social factors that are outside the scope of CEQA. Consequently, the allegation that the Project may displace some people currently living nearby does not justify additional CEQA review. The case law emphasizes “that CEQA is not a weapon to be deployed against all possible development ills.” (*S. Orange Cnty. Wastewater Authority, supra*, 196 Cal.App.4th at p. 1614.) For that reason, Appellants are held to a high standard when they attempt to activate CEQA based on alleged economic and social effects of displacement. In such circumstances, they must demonstrate the economic and social effects of the Project will result in a “relatively extreme economic condition,” such as a “risk of widespread” residential vacancies. (See *Placerville, supra*, 16 Cal.App.5th at p. 197–200.) They have fallen well short of that standard here.

In fact, the standard is even higher for appellants in this case, where CEQA does not allow the City to conduct additional environmental review unless: “Substantial changes are proposed in the project which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;” “Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR ... due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;” or “new information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete ... shows any of the following: (A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration; (B) Significant effects previously examined will be substantially more severe than shown in the previous EIR; (C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or (D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.” (CEQA Guidelines, § 15162, subd. (a).)

With regard to the Baldwin Hills Crenshaw Plaza master plan, the City has considered and rejected the appellants’ contentions with regard to gentrification and displacement and any speculative physical impacts associated therewith, as well as the appellants’ other contentions. On behalf of Capri we are proud to put forward additional evidence to support those conclusions in connection with a great project that will bring mixed-rate housing and a mixed-use transit-oriented development to a community that warmly welcomes the Project and its promise for



ensuring that Baldwin Hills Crenshaw Plaza will continue to support the Crenshaw community into the future. We respectfully request you approve the Project.

In closing, we thank you for your consideration.

Very truly yours,



Lindsey C. Kozberg  
of PARK & VELAYOS LLP

Enclosures

cc: Councilmember Marqueece Harris-Dawson  
Mr. Solomon Rivera  
Ms. Joanne Kim  
Mr. Lynell Washington  
Mr. Deron Williams  
Mr. Andrew Westall  
Mr. Jordan Beroukhim  
Ms. Luci Ibarra  
Mr. Quintin Primo  
Ms. Rachel Freeman  
Marcos Velayos, Esq.

**Exhibit A**



**RESPONSES TO COMMENTS  
ON  
BALDWIN HILLS CRENSHAW PLAZA MASTER PLAN PROJECT  
June 26, 2018**

Having prepared the traffic study and related analyses for the Baldwin Hills Crenshaw Plaza Master Plan Project ("Project"), we address the traffic issues raised in a letter ("RK Letter") from Robert Kahn, P.E., of RK Engineering Group, Inc. The letter was submitted as an attachment to a letter to the Planning and Land Use Management Committee by Beverly Grossman Palmer of Strumwasser & Woocher LLP. This letter responds to the 14 numbered comments in the RK Letter.

**1. Traffic Counts**

*Transportation Study for the Baldwin Hills Crenshaw Plaza Redevelopment Project* (Gibson Transportation Consulting, Inc.["GTC"], November 2014) ("Transportation Study") was originally scoped with the Los Angeles Department of Transportation ("LADOT") through a Memorandum of Understanding ("MOU") in 2009, shortly after the release of the Notice of Preparation ("NOP"). Traffic counts were conducted in 2008 and 2009, around the time of filing of the NOP and preparation of the original MOU. The MOU was revised in 2012 to account for changes to trip generation rates following the release of the 9th Edition of *Trip Generation* (Institute of Transportation Engineers) in 2012. While LADOT guidelines prefer that newly-initiated traffic studies use data collected within the prior two years, it is common practice for LADOT to allow in-process or subsequent traffic analysis to continue using older data that was less than two years old at the time the study was begun.

Further, as reflected in letters and other materials previously submitted to the City of Los Angeles ("City") in connection with public hearings for the Project, the Transportation Study incorporates the 2008 and 2009 traffic counts with annual increases of 0.5% per year for ambient growth to reflect Existing Conditions in 2011. The counts were further expanded by 0.5% per year through the Project opening year. In addition, traffic from a total of 39 Related Projects were added to form the future base conditions set forth in the Transportation Study – without taking any discounts for the double counting of trips between the ambient growth and the Related Projects trips (which make up part of the ambient growth increase). Finally, the Transportation Study did not take any credit for the potential reduction in automobile trips that the opening of the Crenshaw light rail transit line will cause in the Project's Study Area.

In total, the background traffic levels presented in the report represent a conservative picture of the potential background traffic that will be in effect in the Study Area. The annual growth assumption used by GTC substantially exceeds the forecasts in *2010 Congestion Management Program for Los Angeles County* (Los Angeles County Metropolitan Transportation Authority [Metro], 2010), which estimates total traffic growth between year 2010 and year 2020 at 1.4% for the West/Central Los Angeles area that includes the Project site. The Transportation Study's ambient growth assumption is more than three times higher, and the total growth assumption is much higher when considering Related Project traffic.

## **2. Significant Impacts With Mitigation**

The Transportation Study and environmental impact report (“EIR”) followed the City’s methodology and criteria for the identification and mitigation of significant traffic impacts. The mitigation measures were developed in consultation with LADOT and in accordance with their order of priority in identifying types of mitigation measures based on LADOT’s *Transportation Impact Study Guidelines* (December 2016). The Project includes a contribution to the Los Angeles Bicycle Plan (2010 Bicycle Plan, A Component of the City of Los Angeles Transportation Element, Los Angeles Department of City Planning, adopted March 1, 2011) (Mitigation Measure L-6, part of LADOT’s priority 1 mitigation), transit and mobility system improvements (Mitigation Measures L-1 and L-2, priority 2), parking management measures (Mitigation Measure L-7, priority 3), and traffic signal improvements (Mitigation Measures L-3, L-4, and L-5, priority 5), in addition to the development of a Neighborhood Traffic Management Plan (Mitigation Measure L-13).

Mitigation measures involving physical reconfiguration of intersections were considered in the Transportation Study but were deemed infeasible on the basis of the substantial secondary impacts they would cause.

The recommendation that additional right-of-way should have been considered in order to implement more extensive physical mitigations fails to acknowledge that Capri, as a private entity, has no authority to force the purchase of additional private land in order to widen streets. Thus, any such proposed mitigation would not be feasible because any developer proposing a mitigation measure must be able to fully implement that measure and that obviously cannot happen if the land is not available for that improvement. The City never accepts a “speculative” mitigation proposal where sufficient land is not available to implement the improvement.

The suggestion is also not paired with any evidence to suggest that such additional right-of-way, if it could be acquired, would alter the impacts of the Project at any of the intersections where significant impacts remain, making it mere speculation. Nor does it acknowledge the secondary effects of right of way acquisition including potential impacts on street parking and pedestrian and bicycle access.

The recommendation is also inconsistent with prevailing LADOT policies, which discourage expansion of right-of-way for automobile travel and encourage devotion of travel lanes for transit, bicycles and other modes of transportation.

## **3. On Site Parking Supply**

Project-related parking was analyzed in Chapter 8 of the Transportation Study, which assessed parking demand pursuant to the Los Angeles Municipal Code (“LAMC”) and based upon a shared parking demand model based upon guidance published in *Shared Parking, 2nd Edition* (Urban Land Institute [“ULI”] and International Council of Shopping Centers [“ICSC”], 2005). That and other ULI and ICSC publications, including *Parking Requirements for Shopping Centers* (ULI and ICSC, 1999), recommend peak parking supply for a shopping center similar to the Project match the peak parking demand. Contrary to the suggestion contained in the RK Letter, there is no excess parking supply recommended for the busiest shopping day of the year – which is the condition quoted in the Transportation Study.

The Transportation Study forecasts a shortage of on-site parking only during the peak holiday shopping period. Mitigation Measure L-7 is proposed for the express purpose of managing parking during this period through the following types of measures:

- Promote ridesharing and transit, especially among project employees
- Increase parking supply using attendant or valet parking (which enables the use of tandem or stacked parking, as suggested in the comment)
- Moving employee parking off-site

Holiday-season parking operations programs such as this are common at shopping malls and major retail establishments in Southern California (examples include Westfield Santa Anita, Glendale Galleria, and Westfield Topanga). By using underutilized office parking or school or park/open space parking lots that are available during nights and weekends of holiday times, a project may avoid construction of parking spaces that would sit empty for the vast majority of the year.

The “overage” factor of 5-10% suggested in the RK Letter is not recommended by widely accepted urban planning resources, and it runs counter to policies expressed in the West Adams – Baldwin Hills – Leimert Community Plan (the “Community Plan”) such as:

“Policy LU15-2: Parking Reductions Near Transit Stations. Strive to reduce parking requirements for developments that locate near major bus centers and mass transit stations and that provide pedestrian, bicycle, and exceptional ADA facilities.”

“Policy LU52-6: Address Parking Demands. Allow for the provision of a sufficient amount of parking to accommodate project demands for a competitive and viable market place while not undermining transit goals and transit use by providing too much parking.”

“Policy LU52-7: Shared Parking. Allow for the provision of an efficient parking supply that includes shared parking between commercial uses.”

Pages 185 and 186 of the Transportation Study show that there is projected excess capacity for virtually every day of the year. It is only on the busiest few shopping days of the year, and during the peak hours on those days, that the parking demand would exceed supply, and only a handful more days where it would even approach capacity. The parking operations plan would be used on the days demand is forecast to exceed supply.

#### **4. Locations of Proposed Driveways**

While the RK Letter suggests that the proposed new driveway locations are “very close to existing intersections and do not appear to be appropriately located,” it fails to cite to a more appropriate separation or suggest a more appropriate location. There is no evidentiary basis for the recommendation and assessment of the proposed locations.

As reflected in the Project’s Conceptual Site Plan, Driveway #1 is a right-in/right-out driveway from a frontage road adjacent to Crenshaw Boulevard – it does not provide direct access to or from Crenshaw Boulevard. Driveway #12 is a right-in/right-out driveway to Marlton Avenue and

would be located at least 100 feet from the intersection of Marlton Avenue & 39th Street. The proposed driveway locations contained in the Transportation Study were conceptually approved by LADOT, with the express provision that final driveway placement would be subject to City review and approval upon application for building permits.

#### **5. Existing Poor Level of Service**

The Transportation Study identified the levels of service, before and after the addition of Project traffic, at all study intersections in accordance with LADOT procedures. Potentially significant traffic impacts were identified based on criteria established by LADOT, and mitigation measures were identified to reduce the impacts to the extent feasible. The assumptions, methods, and results were disclosed in the Transportation Study and the EIR as required by the California Environmental Quality Act.

A certain number or percentage of study intersections operating at a specific level of service does not constitute an environmental impact. The Project's incremental impact on those intersections, in conjunction with those intersections' levels of service, is what is measured in the determination of significant impacts.

#### **6. Significant Impacts with Mitigation**

This comment is addressed in response number 2 above.

#### **7. Transit Mitigation**

The Transportation Study identifies a number of significant impacts along Crenshaw Boulevard. In fact, seven of 14 significant impacts (50%) identified under Existing with Project conditions and 10 of 17 significant impacts (59%) identified under Future with Project conditions are on Crenshaw Boulevard (prior to mitigation). Mitigation Measure L-1 proposes to fund the procurement and operation of an additional bus for Metro Route 210, which travels north and south on Crenshaw Boulevard, passing through 19 of the 55 study intersections (34%). This route was chosen specifically for the value it provides in reducing automobile traffic along Crenshaw Boulevard to reduce Project impacts toward levels of insignificance. In contrast, only three significant impacts (prior to mitigation) were identified on Martin Luther King, Jr. Boulevard (including at Crenshaw Boulevard), the east-west road with the highest concentration of Project traffic.

Further, the RK Letter is incorrect to conclude that Mitigation Measure L-1 fails to support transit along east-west routes. As stated on page 132 of the Transportation Study, Metro will have the right to redeploy the bus to another route within the study area if Metro determines such route would serve a greater need.

#### **8. Mobility Hub**

The mobility hub proposed in Mitigation Measure L-2 is described on Page IV.L-89 of the EIR. It will provide services that help to facilitate first-mile/last-mile connectivity to transit, such as secure bicycle storage, shuttle services, and vehicle sharing programs, including conventional and electric bicycles, scooters, and cars.



While included as a mitigation measure, the mobility hub is included in the Project as part of a larger Transportation Demand Management ("TDM") program and not to mitigate a specific significant transportation impact. It is among several measures that together are intended to meet the TDM requirements of the LAMC.

Mitigation Measure L-2 itself was drafted to be adaptable to the evolving technologies and programs that support first-mile/last-mile connectivity and allow LADOT to enforce the measure as the agency responsible for ensuring the traffic-related conditions of approval are fulfilled by the Project. The specific services that will ultimately be provided at the mobility hub should be and will be determined shortly prior to opening of the Project based on the technologies and trends of the day. Such services have evolved since the Transportation Study was prepared and will continue to evolve during construction and operation of the Project as new transportation options emerge. For example, since the time Mitigation Measure L-2 was drafted, car sharing programs such as Zipcar have been largely supplanted by ride sharing services such as Uber and Lyft, and dockless bicycles and electric scooters have become prevalent alongside docking bicycle sharing systems, neither of which were common previously. As drafted, Mitigation Measure L-2 allows for the inclusion of an expanding and evolving array of first-mile/last-mile connections in furtherance of LADOT policies.

## **9. Bicycle Improvements**

Decisions regarding the use of the Project's contribution toward bicycle improvements will be made by the City, to implement portions of the Los Angeles Bicycle Plan within the Study Area. The plan is a component of *Mobility Plan 2035, An Element of the General Plan* (Los Angeles Department of City Planning, January 2016), which is part of the City's General Plan. LADOT will be responsible for executing the plan using the funds contributed by the Project and will determine which specific improvements are implemented based on the priorities at that time. The Project does not control the application of those funds

The EIR states the plan currently shows future bicycle lanes on Martin Luther King, Jr. Boulevard and Crenshaw Boulevard adjacent to the Project site. However, LADOT will serve as the responsible entity for investing funds to be contributed in connection with the Project.

As with the mobility hub, the contribution to the Los Angeles Bicycle Plan is one of several measures that comprise the Project's TDM measures in furtherance of LAMC requirements. Although included among the Project mitigation measures, the contribution is not required or intended to address a specific significant impact of the Project.

## **10. Traffic System Management Improvements**

The locations for investments in the City's state-of-the-art Automated Traffic Surveillance and Control ("ATSAC") system were selected by LADOT staff. They directed investments to address gaps within LADOT's existing traffic management system. No additional improvements at the significantly impacted intersections were available because the City had already implemented all possible improvements at these locations. However, the ATSAC system depends on the interconnectivity of all of the signalized intersections within the study area and, therefore, improvements to any intersection results in improvements to the overall transportation network.

### **11. Additional Bus Capacity**

This comment is addressed in response number 7 above.

### **12. Neighborhood Traffic Management Plan**

Page 198 of the Transportation Study and page IV.L-103 of the EIR state: "Due to the uncertainties surrounding the potential significantly impacted areas, including the uncertainty over whether any such impact will even occur, in an abundance of caution, for purposes of this analysis, the potential neighborhood intrusion impact is considered significant, and a Neighborhood Traffic Management Plan process by which the intrusion impact can be identified and mitigated if in the future any of the identified potentially impacted communities determines that it wants the measures to be implemented has been incorporated into the mitigation for neighborhood intrusion impacts."

LADOT's Transportation Assessment for the Transportation Study states: "The full extent of the potential for cut-through traffic will not be known until the proposed project is operational. Therefore, [LADOT] recommends that the applicant survey and monitor the residential street segments before and after project occupancy to assess the level of impact, if any, resulting from project-related traffic. If the impact is substantiated, then the applicant should be required to work with the affected stakeholders...The applicant shall also be responsible in implementing any measures approved by [LADOT] and supported by stakeholders." (LADOT Transportation Assessment, page 6.) As the EIR and LADOT describe, cut-through traffic cannot be forecast with the degree of certainty of other types of traffic impacts and, therefore, definitive determination of significance cannot be made prior to operation of the Project, much less the specific mitigation measures.

LADOT reviews each project individually and sets the amount needed for the Neighborhood Traffic Management Plan mitigation based on the number of neighborhoods potentially affected by each project and the size of those neighborhoods. In the case of this Project, LADOT concluded that the \$300,000 allocated to Neighborhood Traffic Management Plan was sufficient to address the potential for cut-through traffic through the use of speed humps and other non-restrictive measures that are aimed at solving the potential problems and not merely transferring potential problems to adjacent local streets.

The sum of \$300,000 has been deemed sufficient and reasonable for mitigation of potential neighborhood traffic impacts in connection with other developments such as the NBCUniversal Master Plan which addressed impacts to four neighborhoods in connection with approximately 2,241 AM and 2,197 PM trips with a contribution of \$300,000.

### **13. Construction Mitigation Measures**

Mitigation Measure L-8 proposes the preparation of detailed construction traffic management plans designed specifically to ensure that the temporary effects of construction traffic are limited to the extent feasible. The mitigation measure identifies the specific criteria for the construction traffic management plans and is sufficient for the purposes of Project entitlement. Future development under the Project approvals will require Site Plan Review. At that time, the construction plans will be finalized based upon the Project as designed and with building permits. The details of the construction traffic management plan would likewise not be finalized

until that time. Therefore, the mitigation measure provides a framework and a mandate for the development of the detailed plan at the appropriate time.

#### **14. Project Alternatives**

None of the alternatives referenced in the RK Letter reduces the significant impacts of the Project to a level of insignificance.

#### **Conclusion**

In sum, all traffic and parking related impacts of the Project were sufficiently identified and all feasible mitigation measures have been identified to reduce those impacts.

Sincerely,

A handwritten signature in blue ink that reads "Jonathan Chambers". The signature is written in a cursive, flowing style.

Jonathan Chambers, P.E.  
Senior Associate

## Exhibit B



## **Assessment For Baldwin Hills Crenshaw Plaza Master Plan June 2018**

Kosmont Companies has been retained by Capri Capital Partners ("Capri") to conduct a comprehensive review of the methodology, analysis, and findings included in the following documents with regard to the Baldwin Hills Crenshaw Plaza Master Plan Project (the "BHCP Project"):

- (1) Briefer: A Health Impact Assessment of the Crenshaw Mall Redevelopment Project, prepared by Huibin A. Chew, June 5, 2018 (the "HIA");
- (2) Health Impact Assessment of the Crenshaw Mall Redevelopment Plan, Excerpt: Projected Displacement Impact Summary (the "HIA Excerpt"); and
- (3) A Health Impact assessment of the Crenshaw Mall Redevelopment Project, Advisory Committee Meeting, April 10, 2018 (the "HIA Slides").

A comparison of the first two documents, the HIA and the HIA Excerpt, indicates that the HIA Excerpt is a reprint of selected sections of the HIA document with some minor formatting differences and a slight difference in the titling of the two documents. A review of the third document, the HIA Slides, indicates that the substantive content of this document is the same as that found within the HIA, with some minor exceptions, as noted below. As the substantive content and cited references of these three documents are the same, the comprehensive assessment of the HIA provided below applies equally to the HIA Excerpt and the HIA Slides as well. The balance of our assessment focuses on the major shortcomings of the HIA, which are provided below under separate subheadings.

### **1. The HIA Fails to Provide Substantial Evidence to Support its Conclusion that the BHCP Project Would Cause Displacement and Gentrification**

The most substantive shortcoming of the HIA is that it fails to connect its claims with the data and analysis that is presented. A stated goal of the HIA is to: "Project displacement and health impacts of the Crenshaw Mall Redevelopment Project". To this end it makes a single unsubstantiated conclusion that upwards of 70,000 people are at risk of displacement "due to the housing price increases it [the BHCP Project] would unleash." The HIA includes no meaningful analysis to substantiate this claim, or establish the extent of any displacement that would actually occur as a result of the BHCP Project. The HIA merely speculates that a relationship between the development of the BHCP Project and housing displacement exists based on a set of unsubstantiated hypotheses. Just because housing prices in the immediate market have risen and may continue to rise following the BHCP Project, does not automatically mean that one event causes the other. It is our professional opinion that the development of the BHCP Project does not automatically translate to higher housing prices, increased housing instability and decreased housing affordability or housing displacement.

Gentrification and displacement occur as a function of a complex interplay of conditions that are highly localized in nature. Specifically, what causes gentrification and displacement to occur in one

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location does not provide any degree of certainty that it would happen in another location. Thus, the HIA by basing its conclusion on information about conditions occurring in various places around the world does not speak to the specific conditions that exist in the area surrounding the BHCP Project.

The HIA discusses and provides data for a geography it refers to as the “Crenshaw Corridor”, but it does not define the geographic extent of the Crenshaw Corridor. However, in the HIA Slides the Crenshaw Corridor is defined as a 2-mile radius of the BHCP Site, which equates to an area of over 12.5 square miles.

With Crenshaw Boulevard and Martin Luther King Jr. Boulevard as the centroid of the geography, the eastern extent of the geography crosses Arlington Avenue, Western Avenue, before almost reaching Normandie Avenue; whereas the western extent of the geography crosses La Brea Avenue and almost reaches La Cienega Boulevard. Thus, referring to this geography as the Crenshaw Corridor is an inappropriate and misrepresentative nomenclature for the study area analyzed in the HIA, the HIA Excerpt, and the HIA Slides. In contrast to this far overreaching geographic definition, the City of Los Angeles defines the geography subject to the Crenshaw Corridor Specific Plan as extending between 0.04 to 0.65 miles from Crenshaw Boulevard.

The HIA discusses economic conditions and changes that have occurred in such area that have nothing to do with the BHCP Project. Simply because economic changes are occurring does not mean that existing on-site or proposed BHCP Project development is causing those changes. The HIA fails to provide the basis for its claims that link hypothesized changes to the development of the BHCP Project and instead includes considerable extraneous data to obfuscate and confuse the issue.

The HIA references a variety of materials of limited relevance to the BHCP Project. As part of our review of the HIA we consulted the sources referenced within the 44 citations contained in the HIA documents.

Two features of the referenced literature bear noting: (1) the sources were in large part not related to the BHCP Project or to Los Angeles and/or were not related to gentrification and displacement; and (2) the academic research cited often contained express language regarding the limitations of the methodologies used and the conclusions reached. We expand upon each point below:

#### Relationship of Sources to Project

The references in the Health Impact Assessment were not specific to the BHCP Project. The majority of the referenced academic literature also offered no relationship to Los Angeles, having either no geographic focus or pertaining to other geographies including the Bay Area (Bay Area Regional Health Inequalities Initiative, 2016; Zuk, et al., 2016; and Marcus and Zuk, 2017), Oregon (Knapp et al., 2001), Atlanta (Immergluck, 2009), New York (Huynh and Maroki, 2014; Lim et al., 2017; and Newman and Wyly, 2006), Philadelphia (Pollack et al., 2010), London (Atkinson, 2000; and Davidson and Lees, 2005), Sweden (Rojas, 2017), and Sydney and Melbourne (Atkinson et al., 2011).

The references, academic and otherwise, are largely *not* related to gentrification and displacement, focusing instead on topics such as homelessness (McGahan, 2017; Abrams, 2018; Holland, “L.A.’s Homelessness Surged ...”, 2018; Holland, “Huge Increase in Arrests of Homeless in L.A.”, 2018); mental health and housing stability (Liu et al. 2014; Suglia, et al, 2011; Vasquez-Vera, et al. 2017); access to health care (Kirby and Kaneda, 2006; Reid et al., 2008); income inequality (Wilkinson, 2005; Wilkinson and Pickett, 2009); childhood mobility (Heyman and Spencer, 2008; Sandel et al., 2018; Simpson and Fowler, 1994; Dong et al., 2005); housing affordability (Pollack, et al. 2010); and diversity (Pollack et al., 2010).



The citations reach back to 2001, 2000 and even 1994. Overall an assessment of the citations shows the referenced materials are at best of limited relevance to understanding potential displacement impacts from the BHCP Project.

#### Limitations of Research

As noted above, only a subset of the Health Impact Assessment references relate to gentrification. Among those that do, several of the sources referenced include express language regarding the limitations of efforts to predict or quantify displacement, including a small number of studies with mixed results. Specific citations are summarized below:

"Only a small number of studies have been done on gentrification and displacement in transit-rich neighborhoods and those report varying results, with some TRNs experiencing little change, others gentrifying, and some attracting poorer rather than wealthier residents." (Pollack, Stephanie, Barry Bluestone, Chase Billingham, *Demographic Change, Diversity and Displacement in Newly Transit-Rich Neighborhoods*, Transportation Research Board 90th Annual Meeting (2011), p. 6)

"Displacement can be difficult to detect and document, even with far more sophisticated data than were available for our analysis". (Ibid. pp. 11-12)

"[E]ven though gentrification and displacement have traditionally been regarded as omnipresent at the scene of gentrification, the empirically observable connection between them is not quite as strong as the literature might suggest. Social movements in, out of, and around cities involve a vast number of processes that make the identification of a direct relationship between gentrification and displacement a difficult task." (Davidson, Mark and Lees, Loretta, *New-Build 'Gentrification' and London's Riverside Renaissance* (2005), p. 1184)

Certain of the studies contradict the main contentions of the appellants' health impact assessment:

"Of course, gentrification may not necessarily displace anyone at all; people may migrate by choice rather than by force or economic necessity". (Atkinson, Rowland, *Measuring Gentrification and Displacement in London* (2000), p.150)

"Finding evidence of displacement is a difficult task. The research on gentrification induced displacement in London to date is contradictory." (Davidson, Mark and Lees, Loretta, *New-Build 'Gentrification' and London's Riverside Renaissance* (2005), p. 1183)

"Our research did not, however, find that a new transit station automatically leads to fundamental change in a neighborhood's racial composition. Perhaps, as other recent studies of gentrification have found, the relatively higher retention of higher-income black and Hispanic households and/or the in-migration of racially mixed, higher income residents results in a wealthier neighborhood but one with a racial composition similar to that of the pre-transit neighborhood." (Pollack, Stephanie, Barry Bluestone, and Chase Billingham, *Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change*, Dukakis Center for Urban and Regional Policy at Northeastern University (2010), p. 3)

“It is equally clear that transit does not inevitably lead to gentrification and displacement: some neighborhoods see little change, while others actually experience increased poverty”. (Ibid., p. 19)

“The impact of railway station proximity on property value has received wide attention in the economic literature. Several empirical studies tried to quantify this effect. However, the conclusions are not uniform.” (Debrezion, Ghebreegziabiher; Pels, Eric and Rietveld, Piet, *The Impact of Railway stations on Residential and Commercial Property Value: A Meta-Analysis* (2001), p. 117)

Finally, the HIA methodology of local resident interviews and surveys does not represent scientific analysis of potential displacement impacts, but rather opinions of less than 0.3% of the local population.<sup>1</sup>

## **2. The HIA Fails to Recognize the Diversity of Socio-Economic Conditions in the Area Surrounding the BHCP Site**

The socio-economic data presented in the HIA paints an incomplete picture of the true socio-economic diversity that exists in the area surrounding the BHCP site. We compiled data regarding the socio-economic characteristics of the 18 census tracts surrounding the BHCP site (the “Local Study Area”)<sup>2</sup>, which equates to an approximately 6.9 square mile area. Based on this data described below, the community around the BHCP site is comprised of a relative stable population that enjoys healthy property values and ratios of home ownership that are consistent with the rest of the City of Los Angeles. In addition, median and average household incomes, as well as per capita incomes within the Local Study Area, are comparable to City of Los Angeles averages. Further, educational attainment in the Local Study Area is also high relative to the rest of the City. These conditions considered collectively demonstrate the presence of a large number of middle and upper middle-class households in the Local Study Area. Specific data points and corresponding analysis that support this characterization are as follows:

- The Local Study Area is not a low-income community. It includes neighborhoods with a diversity of income levels, including Baldwin Hills, The Village Green, Leimert Park, Windsor Hills, Ladera Heights and Park Mesa Heights, with median household incomes summarized as follows:
  - Baldwin Hills - \$32,264
  - The Village Green - \$69,748
  - Leimert Park - \$41,989
  - Windsor Hills - \$77,480
  - Ladera Heights - \$102,282
  - Park Mesa Heights - \$36,746.<sup>3</sup>
- Housing values within the Local Study Area are on par with the rest of Los Angeles. The data indicates that median home values (>\$500,000) and median multifamily rent in the Local Study Area are comparable to citywide averages. While some census tracts fall below City averages, an equal amount are greater than City averages.<sup>4</sup> Approximately 50% of rental units in the Local Study Area rent for

<sup>1</sup> See Table 6—Housing Occupancy Characteristics – Local Study Area

<sup>2</sup> See Figure 1 – The Attachments for the location of the 18 census tracts that comprise the Local Study Area.

<sup>3</sup> See Table 1 – Community Information – Surrounding Communities.

<sup>4</sup> See Table 2 – Housing Values within the Local Study Area.

between \$1,000 and \$2,000 per month, a level that is comparable to adjacent Los Angeles communities and the median rent in Los Angeles. In addition, multi-family residential rent rates in the Local Study Area are keeping pace with adjacent communities as well as the city-wide average.<sup>5</sup> Further, the BHCP Project's proposed addition of 961 new residential units within a community with 33,000 longstanding residential units is not expected to affect other properties' rent rates or sale prices.

- Educational attainment in the Local Study Area is high relative to the rest of the City with 3 of the 7 areas that comprise the Local Study Area having between 44% and 56% of those age 18 and over with a bachelor's degree or higher compared to a Citywide total of 33% of those age 18 and over with a bachelor's degree or higher<sup>6</sup>.
- The Local Study Area is characterized as a stable community with a well-established population summarized as follows:
  - 12.5% of the population has lived in the area for over 40 years,
  - 33.5% of the population has lived in the area for over 20 years, and
  - 67.5% of the population has lived in the area for over 10 years.<sup>7</sup>

This data indicates that the information provided in the HIA does not accurately reflect economic and social conditions within the neighborhoods surrounding the BHCP Project site. In addition, the HIA fails to recognize that the economic changes that have occurred in the area surrounding the BHCP Project site have also created positive benefits to the community. For example, the HIA provides data regarding changes in median sales prices between 2011 and 2017. These changes are occurring independent of what is occurring at the BHCP Project site and represent a substantial increase in wealth in the area for existing homeowners. Specifically, there are approximately 12,000 owner-occupied housing units within the Local Study Area, and the HIA indicates that home sale prices have increased by \$200,000 to \$400,000 per unit between 2011 and 2017.<sup>8</sup> Thus, between \$2.4 billion and \$4.8 billion of additional wealth has accrued to the community within the Local Study Area over the 6 year, 2011-2017, period. Further, the fact that home values are increasing does not translate to displacement of these homeowners as their housing costs in large part are protected through Proposition 13.

To the contrary, the new housing proposed as part of the BHCP Project is aligned with the existing character of the community and is designed to provide options residents do not currently have, and which are in high demand. The BHCP Project would provide housing product types that keep residents in the community and attract those who may have left and want to return.

### **3. The HIA Fails to Recognize a Basic Law of Housing Economics**

The HIA fails to recognize a basic law of housing economics. All else being equal, an increase in supply of housing will result in downward pressure on prices. There is a misperception that new housing leads to increasing community-wide housing prices. In fact, increasing housing supply provides a downward

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<sup>5</sup> See Table 3 – Multi-Family Rental Rates.

<sup>6</sup> See Table 4 – Educational Information

<sup>7</sup> See Table 5 – Housing Tenure

<sup>8</sup> See Table 6—Housing Occupancy Characteristics – Local Study Area

pressure on housing prices as residents have a greater available housing supply to choose from.<sup>9</sup> Thus, the BHCP Project will help alleviate one of the pressures that causes housing prices to rise, thereby countering adverse impacts to housing affordability. Not only does the BHCP Project increase housing supply by up to 961 units, it does so by converting a currently 100% commercial site into a mixed-use development near multiple transit opportunities (rail and bus) without removing a single housing unit from the existing housing supply. Further, in light of a well-documented Citywide housing shortage,<sup>10</sup> the BHCP Project directly helps the surrounding neighborhood “catch up” to its demand for new housing, particularly in light of the limited new housing units that have recently been built in the area around the BHCP site.

#### **4. Additional Information**

Based on an analysis of local conditions, the BHCP Project’s market-rate housing units, are not expected to affect other properties’ rent rates or sale prices. They are, however, expected to increase the available supply of new and multi-family housing units. In addition, the HIA fails to acknowledge that the BHCP Project includes a substantial commitment to provide on-site affordable housing. Specifically, 10 percent of the for-sale units would be set aside for households earning 150 percent of the Area Median Income (AMI), and 5 percent of all rental units would be set aside for households earning 60 percent of AMI, plus an additional 5 percent of all rental units would be set aside for households earning 80 percent of AMI. These commitments result in a total of 96 residential units being set aside for below market rents/prices.

The BHCP Project provides jobs, as well as housing that would be available to local residents to allow them to both live and work in the Crenshaw district. In addition to hundreds of construction jobs, the permanent jobs that would be provided by the BHCP Project, based on its proposed set of uses, would be classified as middle-class jobs.

Further, through the City’s Rent Stabilization Ordinance (the “RSO”), rent increases are capped at 3 percent per year for rental units that were first built on or before October 1, 1978. Based on 2015 Census data, approximately 16,730 rental units within the Local Study Area are subject to the City’s RSO.<sup>11</sup> As such, over 88 percent of all of the rental units within the approximately 6.9 square mile area around the BHCP Site are subject to the City’s RSO.<sup>12</sup> Application of the RSO can mitigate concerns about potential displacement.

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<sup>9</sup> Housing Pays Report: Capturing the Economic and Fiscal benefits of Increased Housing Production in L.A., Los Angeles Business Council Institute, September 2017, p.13. The full report can be reviewed at: [http://www.labusinesscouncil.org/files/Housing\\_Pays\\_Final\\_Full\\_Report.pdf](http://www.labusinesscouncil.org/files/Housing_Pays_Final_Full_Report.pdf)

<sup>10</sup> California’s High Housing Costs: Causes and Consequences, Legislative Analyst’s Office, March 2015, pg. 22. The full report can be viewed at: <http://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

<sup>11</sup> The Census for the period of 1940-2009 provides data for the age of the housing stock on a rolling 10-year period (e.g., 1940-1949, 1950-1959, etc.). As the data is compiled by decade, a linear interpolation was calculated to determine the number of rental units that were built between January 1, 1970 and October 1, 1978 (i.e., October 1, 1978 is the date when rental structures are not subject to the City’s RSO). The January 1, 1970 to October 1, 1978 time period equates to 75 percent of the 1970 to 1979 data interval. Applying this factor to the 1970-1979 data for the Local Study Area, yields a total of 1,411 rental housing units that were built between January 1, 1970 and October 1, 1978. This number equates to 7.4 percent of the total number of renter-occupied housing units built within the Local Study Area between January 1, 1970 and October 1, 1978.

<sup>12</sup> See Table 7 – Renter-Occupied Housing Units -- Age of Housing Stock within the Local Study Area.

## Conclusion

Our analysis provides substantial evidence that the HIA is predicated on an inadequate set of assumptions and analyses that lead to unsubstantiated conclusions and casual relationships that have not been proven. The HIA also fails to recognize the diversity of socio-economic conditions that exists in the area around the BHCP Project site. This area is home to a community with a relatively stable population that enjoys healthy property values and ratios of home ownership that are consistent with the rest of the City of Los Angeles. Median and average household incomes, as well as per capita incomes, and educational attainment levels are comparable to City of Los Angeles averages. These characteristics collectively point to the presence of a large number of middle and upper middle-class households in the area around the BHCP Site.

The HIA also fails to recognize a basic law of housing economics, which states that increasing an area's housing supply places downward pressure on housing prices, thereby countering adverse impacts to housing affordability. The BHCP Project does exactly this by increasing the local housing supply by up to 961 units, of which nearly 100 residential units would be price controlled, on a currently 100% commercial site near multiple transit opportunities (rail and bus) without removing a single housing unit from the area's existing housing supply. Based on these dynamics, the BHCP Project's housing component is not expected to affect other properties' rent rates or sale prices, not to mention that almost 90 percent of all rental units within the approximately 6.9 square mile area around the BHCP Site are subject to the City's RSO, which would further diminish the potential for displacement to occur. The HIA also chooses to ignore the fact that the BHCP Project, based on its proposed set of uses, would provide middle-class jobs that would allow local residents to both continue to live and work in the Crenshaw district.

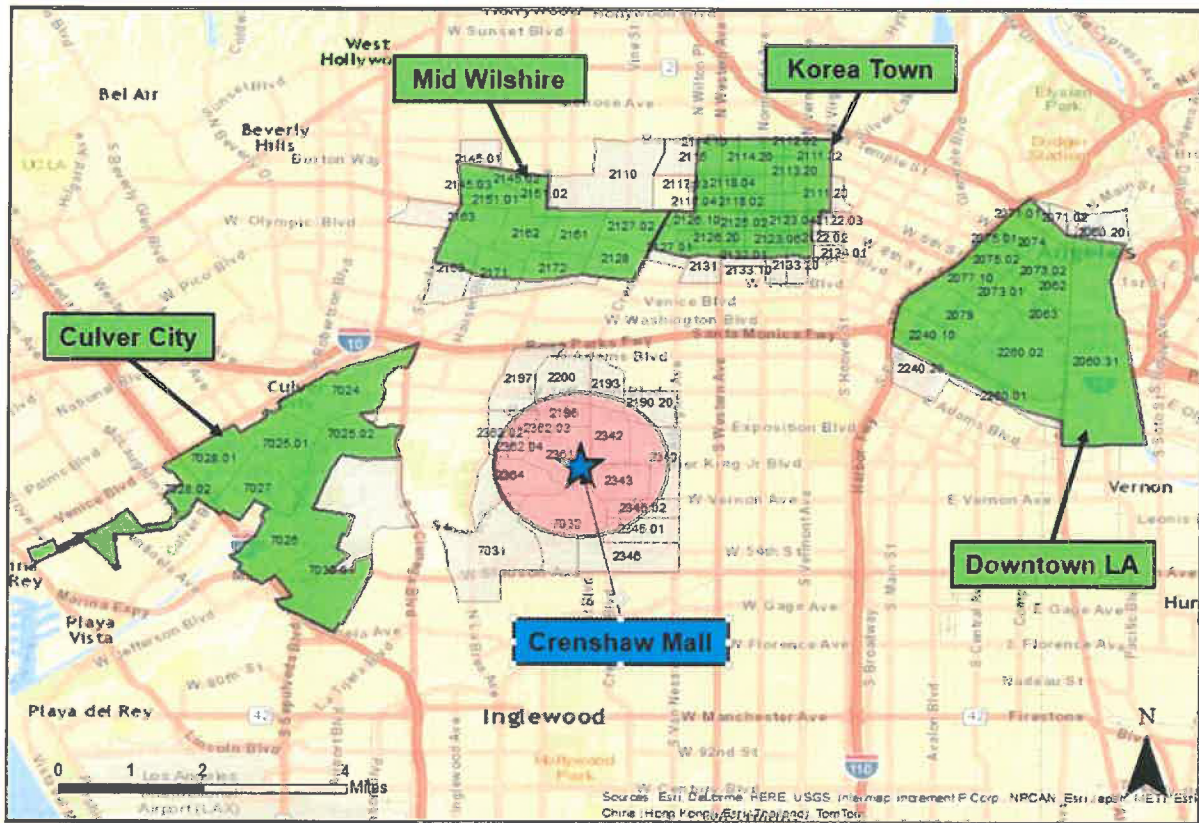
In closing, the HIA clearly fails in its attempt to establish a nexus between the development of the BHCP Project and the potential for gentrification and housing displacement. Other social issues raised in the HIA (e.g., housing affordability, homelessness, access to mental and general health care, etc.), are critical issues facing a number of different neighborhoods located throughout the City, and as such, are issues that are best addressed in a Citywide context.

# ATTACHMENTS



Figure 1

Local Study Area



Source: ESRI (2017)

**Table 1**

**Community Information – Surrounding Communities**

<b>Community</b>	<b>Population</b>	<b>Median Household Income</b>	<b>Average Household Income</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>
<b>Baldwin Hills</b>	29,081	\$32,264	\$48,575	\$19,820	7.30%
<b>The Village Green</b>	935	\$69,748	\$85,842	\$45,676	1.70%
<b>Windsor Hills</b>	11,418	\$77,840	\$105,717	\$43,248	5.30%
<b>Ladera Heights</b>	6,640	\$102,282	\$139,864	\$58,392	5.50%
<b>Leimert Park</b>	21,268	\$41,989	\$59,172	\$22,161	6.90%
<b>Park Mesa Heights</b>	35,600	\$36,746	\$53,467	\$18,902	8.20%
<b>City of Los Angeles</b>	3,986,442	\$53,329	\$85,788	\$30,172	5.00%

**Source:** ESRI Business Analyst Online (2017) & CoStar (2017)

Table 2

## Housing Values within the Local Study Area

Census Tract	VALUE									Median (dollars)
	Owner-occupied units	Less than \$50,000	\$50,000 to \$99,999	\$100,000 to \$149,999	\$150,000 to \$199,999	\$200,000 to \$299,999	\$300,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 or more	
2190.2	703	9	12	0	0	280	339	63	0	323,700
2193	309	28	0	48	3	9	191	21	9	371,500
2195	491	13	4	0	0	59	327	88	0	405,700
2197	649	0	22	0	32	127	408	44	16	345,600
2200	710	8	23	21	44	93	415	106	0	350,900
2340	1,302	0	0	0	33	266	746	242	15	387,600
2342	660	9	0	9	16	56	353	217	0	448,900
2343	418	17	0	13	0	74	214	100	0	415,500
2345.01	522	15	12	13	5	278	190	9	0	284,900
2345.02	376	0	16	8	27	59	263	0	3	336,100
2346	901	42	0	25	39	98	566	88	43	372,900
2361	543	15	0	33	42	115	291	47	0	325,500
2362.02	11	0	0	11	0	0	0	0	0	-
2362.03	30	0	0	0	0	23	0	7	0	(X)
2362.04	0	0	0	0	0	0	0	0	0	-
2364	1,013	0	11	9	68	128	199	559	39	574,500
7031	1,536	15	16	36	14	13	488	866	88	567,600
7032	1,797	31	46	14	63	44	628	876	95	534,300
City of Los Angeles	494,682	10,200	5,397	8,281	16,275	61,053	167,227	157,766	68,083	471,000

Source: US Census Bureau (2015); American Fact Finder

Table 3

## Multi-family Rental Rates

	Culver City	Mid Wilshire	K-Town	Downtown	Baldwin Hills	Park Mesa Heights	Windsor Hills	Ladera Heights	Leimert Park	The Village Green	City of LA
<b>Effective Rent Per SF</b>											
2000 Rent PSF	\$1.51	\$1.56	\$1.38	\$1.51	\$1.04	\$1.08	\$1.34	\$1.44	\$1.12	no info	\$1.47
2017 Rent PSF	\$2.47	\$2.62	\$2.31	\$2.74	\$1.73	\$1.64	\$2.08	\$2.30	\$1.64	no info	\$2.42
% Change	63.6%	67.9%	67.4%	81.5%	66.3%	51.9%	55.2%	59.7%	46.4%	no info	64.63%

Source: CoStar (2017)



Table 4

## Educational Information – Surrounding Communities

Community	Educational Attainment								
	Less than 9th Grade	9th - 12th Grade, No Diploma	High School Graduate	GED / Alternative Credential	Some College, No Degree	Associate Degree	Bachelor's Degree	Graduate / Professional Degree	Bachelor Degree or Higher
Baldwin Hills	9.1%	12.1%	22.6%	2.1%	24.7%	7.0%	14.9%	7.6%	22.5%
The Village Green	1.6%	8.7%	7.8%	2.9%	29.6%	5.5%	26.0%	17.8%	43.8%
Windsor Hills	1.6%	2.7%	7.7%	1.2%	25.1%	8.6%	25.2%	27.8%	53.0%
Ladera Heights	0.8%	1.6%	8.9%	0.9%	26.1%	5.9%	29.5%	26.1%	55.6%
Leimert Park	14.2%	10.8%	23.5%	2.0%	20.6%	9.2%	10.9%	8.8%	19.7%
Park Mesa Heights	11.3%	13.0%	21.1%	2.4%	30.2%	7.8%	9.0%	5.2%	14.2%
City of Los Angeles	14.6%	9.4%	18.2%	1.5%	17.5%	5.7%	21.8%	11.3%	33.1%

Source: ESRI Business Analyst Online (2017)

**Table 5**  
**Housing Tenure**

Census Tract	HOUSING TENURE					YEAR HOUSEHOLDER MOVED INTO UNIT						
	Occupied housing units	Owner-occupied	Renter-occupied	Average household size of owner-occupied	Average household size of renter-occupied	Occupied housing units	Moved in 2015 or later	Moved in 2010 to 2014	Moved in 2000 to 2009	Moved in 1990 to 1999	Moved in 1980 to 1989	Moved in 1979 and earlier
2190.2	1,369	703	666	3.52	2.62	1,369	9	345	475	251	121	168
2193	1,453	309	1,144	3.13	3.01	1,453	0	488	563	244	56	102
2195	693	491	202	2.66	2.08	693	0	109	159	135	74	216
2197	1,395	649	746	3.47	2.55	1,395	9	415	596	206	81	88
2200	2,093	710	1,383	3.19	2.51	2,093	0	837	739	355	60	102
2340	1,986	1,302	684	2.78	3.01	1,986	0	454	637	291	175	429
2342	1,101	660	441	2.32	1.56	1,101	0	175	405	198	121	202
2343	2,209	418	1,791	2.33	1.58	2,209	0	869	641	333	162	204
2345.01	918	522	396	3.18	1.66	918	0	198	329	125	78	188
2345.02	1,112	376	736	2.21	1.88	1,112	49	279	332	186	129	137
2346	1,642	901	741	3.16	2.87	1,642	0	478	518	290	48	308
2361	2,825	543	2,282	2.39	1.68	2,825	0	1,228	1,022	233	170	172
2362.02	2,441	11	2,430	-	2.29	2,441	56	1,334	662	277	39	73
2362.03	1,491	30	1,461	1.30	2.53	1,491	9	677	576	138	0	91
2362.04	1,226	0	1,226	-	2.39	1,226	29	416	473	209	49	50
2364	1,984	1,013	971	2.43	2.00	1,984	43	473	683	377	141	267
7031	2,429	1,536	893	2.61	1.67	2,429	23	478	929	281	180	538
7032	2,322	1,797	525	2.64	2.49	2,322	0	560	637	413	194	518
<b>TOTAL (#)</b>	<b>30,689</b>	<b>11,971</b>	<b>18,718</b>	<b>43</b>	<b>40</b>	<b>30,689</b>	<b>227</b>	<b>9,813</b>	<b>10,376</b>	<b>4,542</b>	<b>1,878</b>	<b>3,853</b>
<b>TOTAL (%)</b>	<b>100%</b>	<b>39%</b>	<b>61%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>100%</b>	<b>0.7%</b>	<b>32%</b>	<b>34%</b>	<b>15%</b>	<b>6%</b>	<b>12.5%</b>

Source: US Census Bureau (2015); American Fact Finder



**Table 6**

**Housing Occupancy Characteristics – Local Study Area**

Census Tract	HOUSING OCCUPANCY				
	Total housing units	Owner-Occupied Housing Units	Renter-Occupied Housing Units	Homeowner vacancy rate	Rental vacancy rate
2190.2	1,501	703	666	0.0	3.4
2193	1,516	309	1,144	0.0	2.0
2195	783	491	202	0.0	6.0
2197	1,480	649	746	7.6	1.7
2200	2,156	710	1,383	0.0	0.0
2340	2,102	1,302	684	3.3	0.0
2342	1,169	660	441	0.0	5.6
2343	2,482	418	1,791	24.8	5.3
2345.01	976	522	396	0.0	7.7
2345.02	1,228	376	736	11.7	2.5
2346	1,761	901	741	0.0	2.9
2361	3,019	543	2,282	3.7	4.0
2362.02	2,617	11	2,430	0.0	5.5
2362.03	1,553	30	1,461	0.0	3.2
2362.04	1,426	0	1,226	-	9.4
2364	2,158	1,013	971	2.1	9.3
7031	2,573	1,536	893	0.0	0.0
7032	2,541	1,797	525	0.0	12.1
<b>TOTAL</b>	<b>33,041</b>	<b>11,971</b>	<b>18,718</b>		

**Source:** US Census Bureau (2015); American Fact Finder

Table 7

## Renter-Occupied Housing Units

## Age of Housing Stock within the Local Study Area

Census Tract	Renter-Occupied Housing Units	Built 2014 or later	Built 2010 to 2013	Built 2000 to 2009	Built 1990 to 1999	Built 1980 to 1989	Built 1970 to 1979	Built 1960 to 1969	Built 1950 to 1959	Built 1940 to 1949	Built 1939 or earlier
2190.2	735	0	0	84	86	7	34	88	27	140	269
2193	1,092	0	8	0	73	68	7	219	183	116	418
2195	177	0	0	0	5	0	0	24	67	70	11
2197	743	0	0	10	45	66	0	108	0	105	409
2200	1,377	0	0	12	123	81	54	11	282	272	542
2340	685	0	0	0	45	0	53	72	83	102	330
2342	432	0	0	0	9	0	155	8	32	94	134
2343	1,905	0	0	0	13	0	149	283	352	406	702
2345.01	339	0	0	10	4	0	0	22	133	23	147
2345.02	833	0	0	11	0	0	137	112	53	108	412
2346	724	0	0	0	0	0	150	40	90	72	372

2361	2,525	0	0	0	232	133	205	223	570	508	407	247
2362.02	2,500	0	0	0	0	0	264	243	220	1,373	191	209
2362.03	1,456	0	0	0	0	9	0	282	362	282	189	332
2362.04	1,256	0	0	0	0	24	39	115	295	414	126	243
2364	932	0	0	0	0	29	54	199	200	204	212	34
7031	761	0	0	0	0	0	0	36	163	246	286	30
7032	508	0	0	0	0	0	31	44	32	54	199	148
TOTAL (#)	18,980	0	8	359	598	815	1,881	2,829	4,383	3,118	4,989	
TOTAL (%)	100.0%	0.0%	0.0%	1.9%	3.2%	4.3%	9.9%	14.9%	23.1%	16.4%	26.3%	

Source: US Census Bureau (2015); American Fact Finder