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October 9, 2018

Carl Lambert (A)(O)
Venice Suites, LLC
2 E. Breeze Avenue
Venice, CA 90291

Elizabeth Peterson (R)
Elizabeth Peterson Group, Inc.
400 S. Main Street #808
Los Angeles, CA

CASE NO. ZA-2015-629-CDP-ZV-ZAA-
SPP-MEL
ZONE VARIANCE/COASTAL
DEVELOPMENT PERMIT/
ADJUSTMENT/PROJECT PERMIT
COMPLIANCE/ MELLO ACT
417 South Ocean Front Walk
Venice Planning Area
Zone : R3-1
D. M. : 109-5A141
C. D. : 11
CEQA : ENV-2015-630-ND
Legal Description: Lot 247, Block 4,
Golden Bay Tract

Pursuant to Los Angeles Municipal Code Section 12.27, I hereby DENY:

A Zone Variance from Section 12.10 to allow the use and maintenance of an Apartment Hotel, comprised of two dwelling units and 30 guest rooms in the R3-1 zone, and from Section 12.21-C.6 to waive the required loading space, and;

Pursuant to Los Angeles Municipal Code Section 12.20.2, I hereby DENY:

A Coastal Development Permit authorizing the change of use of a 32-unit Apartment into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units in the dual permit jurisdiction of the California Coastal Zone, and;

Pursuant to Los Angeles Municipal Code Section 12.24-X.28, I hereby DENY:

A Zoning Administrator's Adjustment to maintain a nonconforming front and rear yard setback of 0 feet and side yards of 3 feet 6 inches, and;

Pursuant to Los Angeles Municipal Code Section 11.5.7-C, I hereby DENY:

A Project Permit Compliance for a Project within the North Venice Subarea of the Venice Coastal Zone Specific Plan, and;

Pursuant to Government Code Sections 65590 and 65590.1 and the City of Los Angeles

Interim Mello Act Compliance Administrative Procedures, I hereby FIND:

No Affordable Existing Residential Units were found to exist and no new Residential Units are proposed.

APPEAL PERIOD - EFFECTIVE DATE

The Applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any Condition of this grant is violated or if the same be not complied with, then the Applicant or his successor in interest may be prosecuted for violating these Conditions the same as for any violation of the requirements contained in the Municipal Code. The Zoning Administrator's determination in this matter will become effective after October 24, 2018, unless an appeal therefrom is filed with the City Planning Department. It is strongly advised that appeals be filed early during the appeal period and in person so that imperfections/incompleteness may be corrected before the appeal period expires. Any appeal must be filed on the prescribed forms, accompanied by the required fee, a copy of the Zoning Administrator's action, and received and receipted at a public office of the Department of City Planning on or before the above date or the appeal will not be accepted. **Forms are available on-line at <http://planning.lacity.org>.** Public offices are located at:

<u>Downtown</u>	<u>San Fernando Valley</u>	<u>West Los Angeles</u>
Figueroa Plaza 201 North Figueroa Street, 4th Floor Los Angeles, CA 90012 <u>(213) 482-7077</u>	Marvin Braude San Fernando Valley Constituent Service Center 6262 Van Nuys Boulevard, Room 251 Van Nuys, CA 91401 <u>(818) 374-5050</u>	West Los Angeles Development Services Center 1828 Sawtelle Boulevard, 2nd Floor Los Angeles, CA 90025 <u>(310) 231-2598</u>

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City's decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

NOTICE

The Applicant is further advised that subsequent contact regarding this determination must be with the Development Services Center. This would include clarification, verification of condition compliance and plans or building permit applications, etc., and shall be accomplished **BY APPOINTMENT ONLY**, in order to assure that you receive service with a minimum amount of waiting. You should advise any consultant representing you of this requirement as well.

FINDINGS OF FACT

After thorough consideration of the statements contained in the application, the plans submitted therewith, and the statements made at the public hearing on October 25, 2017, all of which are by reference made a part hereof, as well as knowledge of the property and surrounding district, I find that the requirements and prerequisites for granting a Zone Variance, Coastal Development Permit, Zoning Administrator's Adjustment, Project Permit Compliance Review, and Mello Act Compliance Review as enumerated in Sections 12.27, 12.20.2, 12.28, and 11.5.7 of the Los Angeles Municipal Code, and the Interim Administrative Procedures for Complying with the Mello Act are not satisfied and have been established by the following facts:

BACKGROUND

The subject property is a residential lot with a width of approximately 38 feet and depth of 129 feet, a total lot area of approximately 4,814 square feet. The parcel is developed with a four-story, 15,659 square-foot, Apartment House, comprised of 32 dwelling units. The subject lot is zoned R3-1 with a land use designation of Medium Residential. The property is located within the Dual-Permit Jurisdiction of the California Coastal Zone, Venice Community Plan Area, the North Venice Subarea of the Venice Coastal Zone Specific Plan, and the Coastal Transportation Corridor Specific Plan. In addition, the property is located within a Methane Zone, Liquefaction Area, Tsunami Inundation Zone, and within 4.4 kilometers of the Santa Monica Fault.

The project site currently maintains a 32-unit Apartment House that has been operated as an unpermitted Hotel. The applicant seeks to legally convert the Apartment House into an Apartment Hotel comprised of 30 guest rooms (short-term occupancy) and 2 dwelling units. The project includes interior improvements to remove the kitchens from 30 dwelling units, no exterior work is proposed. No parking spaces or loading space are provided onsite and none are proposed.

The property fronts Ocean Front Walk to the southwest and an alley (Speedway) to the northeast. The parcel is located within a beach front area developed with commercial and residential uses within the R3-1 and RD1.5-1 zones. The lots adjacent to the project site (fronting Ocean Front Walk) are zoned R3-1 improved with a surface parking lot, single-family dwelling, multi-family residential structures (Apartment House, Apartment, and Condominium), Hotel, and a mixed-use structure. The properties north and east of the site are zoned RD1.5-1 and primarily developed with multi-family residential structures and some single-family dwellings.

The applicant is requesting a Zone Variance to allow the use and maintenance of an Apartment Hotel in the R3 zone and to waive the required loading space, Coastal Development Permit for the proposed change of use, Zoning Administrator's Adjustment for reduced front and side yards, Project Permit Compliance Review for a project within the Venice Coastal Zone Specific Plan, and a Mello Act Compliance Review for a Conversion of Residential Units to Guest Rooms within the Coastal Zone.

Previous zoning related actions on the site include:

CHC-2018-3235-HCM – On June 6, 2018, an application was filed to nominate the existing structure at 417 Ocean Front Walk (Winn Apartments) as a Historical-Cultural Monument (HCM). On July 5, 2018, the Cultural Heritage Commission voted to take the nomination under formal consideration. A final action has not been taken by City Council.

Ordinance 164,844 SA 930 (CPC-1986-824-GPC) – On June 21, 1989, an Ordinance amending the zoning map for the Venice Community Plan Area (Venice II) became effective. The subject site is located in Subarea 930. As part of the City's General Plan/Zoning Consistency Program, the Subarea was changed from the C1-1 to R3-1 zone; the existing General Plan Land Use Designation of Medium Residential was retained.

Surrounding Properties (within a 500-foot radius):

DIR-2017-3928-CDP-MEL – On September 28, 2017, an application was filed for the conversion of a triplex to a duplex and the construction of a new duplex, in conjunction with a parcel map. The cases were withdrawn on April 4, 2018.

DIR-2016-4432-CDP-SPP-MEL – On April 16, 2018, the Director of Planning approved a coastal development permit, project permit, and Mello Act compliance review for the conversion of a triplex into a single-family dwelling, located at 32 East Dudley Avenue.

DIR-2016-1341-CDP-SPP-MEL – On August 2, 2017, the Director of Planning approved a coastal development permit, project permit, and Mello Act compliance review for the demolition of a 1,728 square-foot commercial structure and the construction of a three-story, mixed-use development comprised of 2,850 square feet of groundfloor retail use and three dwelling units above, located at 305-309 South Ocean Front Walk.

ZA-2011-2694-CDP-CUB – On July 7, 2014, the Zoning Administrator approved a coastal development permit and conditional use permit (alcoholic beverage) for the remodel and reallocation of Service Floor Area and to allow the sale and onsite dispensing of a full line of alcoholic beverages, located at 2 Rose Avenue.

ZA-2006-7499-ZV-ZAA-SPP – On December 7, 2006, the Zoning Administrator approved a zone variance, Zoning Administrator's adjustment, and project permit compliance review for the partial demolition of a block wall, and a new detached garage that observes a 21-foot turning radius in lieu of the required 26-foot 8-inch radius, located at 27 East Dudley Avenue.

ZA-2006-6106-CDP-YV-SPP-MEL – On June 29, 2007, the Zoning Administrator approved a coastal development permit and Mello Act compliance review for the construction of a mixed-use development comprised of five residential condominium units and four commercial condominium units, in conjunction with a Tentative Tract Map, located at 305-309 South Ocean Front Walk.

ZA-2004-6401-ZAA-SPP – On March 30, 2005, the Zoning Administrator approved a Zoning Administrator's adjustment, project permit, and Mello Act compliance review

for the demolition of a detached garage and the construction of a new rear structure comprised of a basement level, semi-subterranean garage, and a second dwelling unit, with a reduced passageway, located at 53 East Dudley Avenue:

ZA-1993-631-ZV – On August 30, 1993, the Zoning Administrator approved a Zone Variance to allow the use and maintenance (legalization) of a 30-bed (within 7 rooms) Hostel use within an existing 40-room Hotel, providing 25 parking spaces; located at 401 Ocean Front Walk.

ZA-1993-85-ZV – On August 26, 1993, the Zoning Administrator approved a zone variance, coastal development permit, and project permit for the construction of a 64-unit senior citizen/handicapped apartment building in the C1 zone and reduced front, side, and rear yards. The Zoning Administrator denied a zone variance to allow tandem parking and balcony projections into the required yards. The City Planning Commission approved a Density Bonus (CPC-93-0019-DB) and recommended the City Council approved a Zone Change (CPC-93-0018-ZC), in conjunction with the Zoning Administrator's approval for the project, located at 151-187 Ocean Front Walk.

ZA-1986-413-ZV – on August 19, 1986, the Zoning Administrator denied a zone variance to permit the establishment, use, and maintenance of open-air sales activities outside of a wholly enclosed building, located at 313 Ocean Front Walk.

PUBLIC HEARING

A Notice of Public Hearing was sent to property owners and occupants within 500 feet of the property, required parties (IAP), and interested parties. The purpose of the hearing was to obtain testimony from affected and/or interested persons regarding the Project. All interested persons were invited to attend the public hearing where they could listen, ask questions or present testimony regarding the Project.

The public hearing on the case was conducted at the West Los Angeles Municipal Building on October 26, 2017. A total of thirty five (35) stakeholders spoke on the proposed project. The following is a summary of the issues raised:

Elizabeth Peterson, Owner's Representative

- The Venice Suites has 30 short term and 2 long term units
- Commercial zoning in Venice
- Constructed in 1921, 1923 and 1926 building permits
- It was built as a hotel versus an apartment
- In 1928, in the LA Times, it was advertised as Win Apartments
- The Biltmore at the Sea
- In 1966 Certificate of Occupancy showed apartments
- The applicant bought the site short – the development didn't meet hotel features demand
- There is a shortage of hotel rooms in Venice
- There are currently only 460 hotel rooms in Venice
- The provision of these apartment/hotel rooms will give relief to the extremely high demand for rooms
- The applicant is Mr. Lambert
- He is a leader in the community

- He has invested \$3 million since 1999 to improve this site
- He pays taxes on the property and its revenues
- Mello determination was done by HCID
- Non-opposition from CD11
- This use does not and will not impact beach access
- The boardwalk will have eyes on the street
- Section 12.21.A4 of the LAMC – Parking space demand will be reduced
- Transient occupancy is reduced parking demand from regular apartments
- An approval is consistent with the Venice Specific Plan and section 30213 of the Coastal Act
- Venice Suites meets the Coastal Act provisions
- This hotel will increase vibrancy
- No affordable housing will be lost
- The hotel/apartment will reduce “home sharing” demand

Robert Chattel, Historic Architect, Consultant

- The site is an Eligible Landmark
- SurveyLA – identified the site as eligible
- Under California statute 21084.1 and 5024.1(G), this is a “Historic Resource”
- Please see his letter submitted to the record

Thomas Nitti, Attorney

- There are legal issues – Owner established a business as a vested right to continue
- “Non-Conforming” uses – Goathill Tavern case
- Venice had been its own city when it “consolidated” with the City of Los Angeles
- “The Venice Land Use Ordinances remain in effect”
- Venice land use laws drew no distinction between “hotels and apartments”
- In the 1920’s and 1930’s – No distinction between the two uses –short and long stay
- Todd Gish, PhD published – Multiple Unit Buildings
- The distinction in the 1960’s – less than 30 day stay is a hotel versus apartments which are longer stays

Bruce Kijewski, Resident, Stakeholder

- Lives only 50 feet away from the proposed project
- The applicant says it was a hotel
- 1972 he was the manager for 2 years – No vacationers or tourists
- He wants to remove the 30 kitchens
- Relieve pressure from Airbnb’s
- More tourism will equate to more demand for hotels and short term rentals

Alexandra Weyman, Research Analyst with Local II, Stakeholder

- The Union opposes this proposed hotel
- We need housing, rent stabilized housing
- In Council District 4, 5, and 13 – This is a pervasive issue
- Violates the Mello Act
- Respectfully requests a denial of the proposal

Bill Przylucki, Executive Director of “POWER”

- There are opportunities for low and moderate income housing
- Opposes the project
- Mello Act Interim Agreement Provisions – expressly prohibits conversion from residential use to a non-residential use
- Questions compliance with the Coastal Act
- A feasibility study should be required
- Mello Act worksheet, page 2 the applicant's accuracy
- Renting rooms out for less than 30 days is a conversion
- The Mello Interim Agreement from 2000 – This was a residential building
- RSO Units – The intent is to preserve
- Two separate agreements – one for the City and a separate agreement for Coastal Commission

Alexander Harnden, Attorney

- "Coastal Dependent Use" – Hotels don't meet this definition
- The Mello Interim Agreement provisions of the agreement require a denial
- Removal of the kitchens changes the use from residential
- 30 commercial units and 2 residential units

Fernando Gayton, Attorney, Legal Aid Foundation

- In addition to the Mello Act issues, the variance would be detrimental to the City
- The findings for a zone variance cannot be made
- It will shrink the housing stock
- Goal is to meet the needs for all types of housing (Housing Element)
- This request is for a special privilege/right for a use not permitted in this zone
- Neighbors would be negatively impacted
- 2009 City Attorney – illegal conversion
- The site would be off limits (off the market) to long term renters
- This would be a rent stabilization violation
- Tactics are employed by landlords to open vacancies
- RSO – Means to many "in-house" or homeless
- Please consider all of this testimony in making your decision

Becky Dennison, Venice Community Housing (VCH)

- The VCH was part of the Mello Settlement
- Prepared to enforce the settlement provisions
- Moved into this property in 1992
- This site has RSO rights
- Ellis Act was never utilized
- City Attorney has taken actions and initiated law suites
- 30 units does matter, especially during a housing crisis
- This is substantial

George Balanis, Property owner at 421 OFW, Stakeholder

- He has a mixed use building
- No problems with 417 OFW property
- Ocean Front Walk has both business and residential uses
- A hotel changes its occupancies, creates more opportunities for local businesses

Jeffery Solomon, Stakeholder

- The applicant bought a building across from him
- Generous acts by the applicant for the community
- The applicant has 3 buildings
- Venice has only 450 hotel units in total
- There are 6000 hotel rooms in Santa Monica
- The applicant has my full support

Michael Millman, Stakeholder

- In 1921, it was a hotel
- In the LA Times it was advertised
- 39 years ago – rent control
- The former owner did not check off all the appropriate boxes
- There is no first hand evidence from the offices that regulate RSO
- This was a hotel
- 16 of 32 units were vacant when the applicant bought the site
- It is a well-run hotel, if we need it or not
- No compelling evidence that people were displaced
- He could have invoked the Ellis Act on the project
- Denial will not create affordable units
- AB1505 State law – allows Lambert to move forward
- Housing Department (HCID) and LAPD need to weigh in

Donna Lasman, CEO Venice Chamber of Commerce

- The Chamber represents over 350 member employers or 25k employees
- Visitor serving uses are desirable
- Total support for the applicant
- There are only 450 hotel rooms in Venice – a deficiency
- A living wage for employees
- The applicant is a community stakeholder
- The applicant has contributed time and resource to the community
- The applicant was an original member of Venice Forward Coalition
- The Chamber thinks the proposed use is the best use for the subject property

Kim Chi Hoang, Stakeholder

- I am speaking as an individual
- Venice is now a well know tourist town/destination
- The Venice Suites Hotel is beautiful
- The shortage of hotel rooms in Venice is an issue when friends and family visit
- It is an internationally well-known destination
- If the building is returned to apartment use, they will be very expensive
- The hotel is affordable, \$150 to \$250 a night

Caroline Bookman, Stakeholder

- Venice is a goldmine
- It's on people's "must see and must do" list
- Visitors want to stay at the Venice suites
- Airline employees (friends and family) stay there one, two maybe three nights
- The hotel is quaint and small
- It is needed – there are only 450 rooms in Venice
- She can't do Airbnbs, needs to be in a hotel

James Murez, Stakeholder

- Is on the Venice Neighborhood Council, not at the hearing in that capacity
- He was involved in the 1980's when the Venice Specific Plan was being developed
- This site was designated for Community Commercial or Neighborhood Serving or visitor serving commercial
- From all the way back at the Venice Interim Control Ordinance (ICO), parking was and is the biggest issue
- Is in attendance as a representative of the VNC Chair of Parking and Transportation and they are considering the issue
- Autonomous cars are coming and they will reduce the demand for hotel parking
- Residential uses still want and need to park
- If it's a hotel – lower level of parking demand than residential
- If it becomes an apartment, he needs to provide 60 parking spaces
- More residential uses need/demand more parking

Dennis Hathaway, Resident, Property owner, Stakeholder

- Has been a property owner for 40 years
- He was a former member of the VNC
- He also was staff at Venice Neighborhood Housing
- People who live in the community were priced out
- The lost/conversion of apartments reduced the housing stock
- Venice was not a slum

Margaret Malloy, Stakeholder

- There is an unpermitted mural on the side of the subject property
- Mr. Lambert also operates another site as a hotel
- 52 Paloma – 8 unit apartment, illegally operated as a hotel
- He was served by the City Attorney
- 2 of the 4 people in the suites were prior VNC members
- Public nuisance City Attorney suit
- He is setting president by the use of his properties
- People are supporting the applicant for self-serving reasons
- RSO law has provisions that he is not complying with
- HCID had years of people who left under coercion
- There was a "settlement of claim" to a prior resident
- The applicant should not be allowed or granted this variance, it would amount to rewarding bad behavior

Jed Pauker, Resident, Stakeholder

- Prior VNC Board member and land use committee member, but is at the hearing as an individual
- Please deny or postpone the decision, until the City Attorney law suit is resolved
- The applicant funded the VNC new members' campaigns
- You must set aside the VNC recommendation

David Ewing, Stakeholder

- Mr. Murez misunderstands parking demands

- I am in the parking industry
- Landlords try to evict tenants, they harass, then offer a settlement to avoid the public record
- I am opposed to the approval of this proposal
- This will have a cumulative toll on Venice
- This will clear out tenants
- He is an attorney
- He has gotten away with this for 18 years
- 125 units have been vacated through coercion at multiple addresses
- The lot was zoned R3-1 when the applicant acquired the site
- After the fact he wants an approval
- In prior proposal – the VNC voted against the proposal
- The new VNC recommended approval

Judy Goldman, Resident, Stakeholder

- She has been a resident of Venice for 50 years
- Venice never was a slum!
- Artists, all ethnicities, all economic levels was the draw
- Her exposure in the 1960's was that it was an apartment house and she knew some of its residence
- She founded "Keep Neighborhood First" which has 4000 members
- Called Council District 11 to complain and find direction
- We need housing and hotels in Venice
- They met with Mr. Lambert
- This is a tragedy for the community
- Nice guy or not, please do not reward his bad behavior
- His business model took advantage of people over and over – There is a long record of this behavior
- The exhibits attached to the City Attorney's law suit and files evidence this behavior
- This is a president, not just the 30 units
- He is skirting Mello and RSO requirements – all at the expense of vulnerable residents

Jill Stewart, Executive Director of Coalition to Preserve Los Angeles

- This is a precedent of the loss of RSO housing
- 23,000 units of RSO have been lost since 2001
- The LA Times published an article on this subject
- Roughly 60,000 residents have been displaced (2.8 per household times 23,000)
- Was the managing editor of the LA Weekly when Airbnb was emerging (and look-a-like models)
- They don't believe that this is a crisis of hotel rooms; there is a crisis in affordable housing
- This has contributed to homelessness
- Luxury housing is experiencing high vacancy rates in other parts of the City
- There is a mismatch of spot zoning and uses
- If this president is allowed, it will open the floodgates
- Urges a denial of the proposal

Sue Kaplan, Resident, Stakeholder

- I urge a denial of the proposed project, and don't reward his lack of a moral

imperative

- It is in conflict with the Venice Community Plan
- The subject property is designated Medium Density Residential
- Policy 1.A1 – Land use plan, promote stable residential neighborhoods
- Preserve community character
- Tourists spend money and resources
- Residents versus tourists
- Apartment house needs parking
- LUP – Not to displace existing residential Policy 3.A.1
- Hotels may be needed, but not at the expense of housing
- Please deny this proposed project

Alex Stowell, Stakeholder

- A lot of people are concerned about Venice
- We see our community changing
- The community is under threat
- Has lived on Ocean Front Walk for 20 years
- When people visit (tourists) they spend money
- Residents don't spend the same way
- This is misguided
- The sense of a threat is not the way to balance the uses
- We need more hotel rooms

William Hawkins, Stakeholder

- Is a member of the VNC
- Is speaking as an individual today
- Supports the proposal
- Defamatory assertions about campaign finance today are inappropriate
- Hotel taxes were paid to the City for 18 years
- The owners in what they needed to during the darker days of Venice
- The market rate rent for apartments would be \$4000/month per unit
- In the VNC – they have a homeless committee
- The case is pending with the courts, presumed innocent
- Airbnb is a problem Citywide
- Connection between the hotel rooms and the demand for Airbnb

Matthew Gibbons, Stakeholder

- Supports the proposal
- Million Maps publisher
- For more than 20 years, visitor services
- Tourism is his specialty
- Most visitors never get into an automobile
- Employment and tourism 534000 people
- Each room creates 10 jobs
- In Santa Monica 4 jobs per room
- June 2017 Los Angeles County Report, jobs, jobs, jobs are needed
- Venice need s more hotel rooms
- Need another 1000 hotel rooms in Venice

Tom Elliot, Resident Stakeholder

- Owns Bank of Venice restaurant

- Owns Venice Ale House
- VNC Board member for 2 years
- He supports the proposal
- 100 years ago - short term stays were in photos
- It was a very big undertaking to restore the building
- He wants a return on his investment and the demand for his rooms
- Low income cannot be supported
- 16 million tourists per year walk on the Boardwalk
- Applicant wants to bring it back to what it once was

Howard Robinson, Stakeholder

- He is a land use consultant
- Is attending the hearing as an individual
- He believes his firm has handled more Mello Act property reviews in the last 17 years than any other
- The Mello provisions as reported are accurate
- Apartment/Hotel is a residential building
- The Mello Act provisions do not capture this proposal – residential to residential
- HCID letter says no affordable units
- The site is too noisy and chaotic for traditional apartments
- Apartment/hotel is a more appropriate use at this location
- With approval of the CPC/APC an apartment/hotel is allowed in the R33 zone

Amanda Seward, Attorney, Stakeholder

- Keep Neighborhood First
- VNC Member
- Understands that historical building code allows building code provisions versus not allowing and trumping the zoning code
- Building permits and current Certificate of Occupancy issued in 1966 show Apartments
- In the 1920's people stayed "short term" which was longer than 30 days
- They are not asking for a continuation of a non-conforming use
- Zone Variance is a proposal/entitlement
- To grant a ZV the decision maker must make findings
- There is no hardship, it is self-imposed
- The zoning code and its intent
- The Venice Community Plan called out "residential uses" at this site
- Special circumstances – looking at same use in same zone, that has not been done
- Preservation of a property right enjoyed by others
- If denied, the rents would be high, and that add to the diverse housing even if not at affordable levels
- Finding five: Adversely effects the Venice Community Plan
- It was mentioned that the owner paid hotel tax, this does not make the use legal!
- Taking housing off the market is not consistent with the General Plan
- There is a housing crisis

Cindy Atencio, Employee of the Applicant, Stakeholder

- The applicant pays his staff over minimum wage

- 9 out of 10 employees live in the Venice Community
- They would lose their jobs if he is required to discontinue the hotel use

Ethan Perez, Employee of the Applicant, Stakeholder

- He is the revenue manager
- He has worked with the company for 4 years
- Buildings on the boardwalk are not residential
- Next door on either side the uses are commercial
- This building has been both apartments and a hotel
- There are only 450 hotel rooms in Venice
- There are 2 major tourism nodes – Hollywood and Venice Beach
- The Venice Beach vibe is in demand by tourists
- The rents would go up to \$5000 a month- very expensive
- There is a huge shortage and the existing hotel room count is not meeting the demand (hence the demand for Airbnb)
- This site was operated as a hotel for at least 15 years
- 2 long term tenants have been there for a very long time
- No residents were coerced to leave

Robin Rudisill, Venice Stakeholder

- She is the immediate past chair of the VNC Land Use Committee
- The hearing notice may be misleading the after the fact CDP
- Conversion equals lost housing
- Significant impact on the Coastal resources
- This proposal is not consistent with the Coastal Act
- Policy 3.A.1 – Visitor serving, but not displace existing uses
- The prior VNC – Supported denial of the proposal
- Please see Ms. Rudisill's written submittal
- Section 30015.B – Orderly and balanced uses and housing needs
- Diverse and eclectic commercial
- Challenges the VNC authority and balance
- Please see letter from Amanda Stewart
- ZV findings cannot be made
- CEQA – inadequate, the Negative Declaration is faulty
- Visitor serving with Mello Act has a mandate to protect housing
- The Venice Boardwalk isn't the only place to put a hotel use in Venice
- Please see Letter from Mark Kleinman

Carl Lambert, Applicant

- There have been attempts at "Character Assassination" at this hearing and elsewhere
- The rehab of the building is true to the historic nature of the building
- Long term housing will create additional demand for parks
- There are special circumstances – please walk the neighborhood!
- It provides housing, even as short term
- The rooms are furnished nicely
- The average daily rate is moderate
- Coastal Commission – These are affordable visitor rooms
- Provides housing "if month to month or long term, it's still housing"

Don Barany, Architect for the applicant

- He is the architect for the applicant
- He is also the architect for 2 Breeze Ave
- This project was right in his "wheelhouse"
- The building was and is an apartment hotel
- Its allowed in the zone, pending a discretionary permit
- Apartment hotels are a residential use and when he designs and addresses all the building code it's for residential uses
- Fire/Life/Safety – improvements will be implemented with the new permit
- Venice has changed and is continuing to change
- It is an organic, dynamic community
- Artists have been pushed out of Venice
- There is a demand for hotels in Venice
- This was and is an apartment

Cathy Hardt, Worked for Carl Lambert, the applicant

- She grew up in Venice
- Went to Westminster Elementary School
- Returning to apartments will bring it back, but be very expensive!
- 2 years ago started working there

Elizabeth Peterson, Applicant's representative, (Rebuttal)

- She grew up in Venice
- There is no loading dock
- No removal of kitchens is proposed, only the flame
- Succession of Venice to Los Angeles
- The code from Venice at that time would govern
- Requests time to submit more material
- The site was commercial until 1989

COMMUNICATIONS TO THE FILE

More than 100 letters were submitted by various stakeholders regarding the proposed project. Correspondence was received prior to, during, and after the public hearing (during the advisement period). The majority of the comment letters received, expressed opposition to the proposed change of use.

In support: approximately 20 letters were submitted for consideration, as well as a petition with 148 signatures. Those in support of the project provided the following comments:

- More hotels and overnight visitor-serving uses are needed in this area, particularly in the Coastal Zone.
- Hotels reduce impact of Airbnb in residential areas.
- The Venice Boardwalk/Ocean Front Walk is a good place for hotels, not really residential neighborhoods.
- The existing hotel has been operating without issues, they are a good neighbor.
- Structure should be a historic landmark.
- Venice Suites provides affordable accommodation to tourists and is a necessary use in the area; the Venice economy is fueled by tourism.
- Respect property rights

In addition to letters/comments submitted by individuals, the following organizations and community groups submitted letters in support of the proposed project:

- Venice Chamber of Commerce

In opposition: approximately 95 letters were submitted for consideration. Two petitions were submitted with a combined total of 326 signatures. Those opposed to the project provided the following comments:

- The conversion will result in a loss of rent-stabilized units and will exacerbate the affordable housing crisis in the City.
- Proper permits were not obtained with the City.
- Will result in adverse environmental impact:
 - o Conflicts with policies of the Venice Land Use Plan.
 - o Will displace a substantial number of housing units, reduction in housing supply.
 - o Increase in noise due to rooftop deck.
 - o Loading zone will impact circulation on Speedway.
 - o Change of use will convert residential use to a nonresidential use, needs to show it is not feasible to maintain a residential use (Mello Act).
- The existing units are protected under RSO, need to preserve affordable housing; new housing is not subject to RSO.
- Approving this project will allow the conversion of other structures and will set a bad precedent.
- An apartment hotel is no different from a hotel use.
- The proposed apartment hotel is not a coastal-dependent use, needs a feasibility study (Mello Act).
- Venice is impacted by unpermitted conversions of rental housing to short-term rentals.
- Loss of diversity and culture in Venice.
- Property owners should not be rewarded for illegal activity and displacement of tenants.
- Coastal Act calls for a balance of uses, Mello Act has a mandate to protect housing, not just affordable units.

In addition to letters/comments submitted by individuals, the following organizations and community groups submitted letters in opposition to the proposed project:

- Venice Community Housing Corporation
- Legal Aid Foundation of Los Angeles
- People Organized for Westside Renewal (POWER)
- Unite Here Local 11

California Coastal Commission submitted a Notice of Violation of the California Coastal Act, dated October 25, 2017. The Letter notifies the property owner of the unpermitted development (change of use from apartment to hotel), resolution of the unpermitted activity, and enforcement remedies. The notice states: *the change in use from apartment to hotel appears to be inconsistent with the LUP and zoning restrictions on the subject property, and its approval appears to be potentially problematic.*

Venice Neighborhood Council (VNC) submitted two letters regarding the project:

- June 20, 2017, recommending *approval of the project as proposed.*

- February 18, 2016, recommending *denial of the proposed conversion/change of use from a 32-unit apartment building to a 32-unit transient occupancy residential structure/hotel.*

MANDATED FINDINGS

Coastal Development Permit

In order for a coastal development permit to be granted, all of the requisite findings maintained in Section 12.20.2 of the Los Angeles Municipal Code must be made in the affirmative.

- 1. The development is NOT in conformity with Chapter 3 of the California Coastal Act of 1976.**

The subject property is residential lot with a width of approximately 38 feet and depth of 129 feet, a total lot area of approximately 4,814 square feet. The parcel is developed with a four-story, 15,659 square-foot, Apartment House, comprised of 32 dwelling units. The subject lot is zoned R3-1 with a land use designation of Medium Residential. The property is located within the Dual-Permit Jurisdiction of the California Coastal Zone, Venice Community Plan Area, the North Venice Subarea of the Venice Coastal Zone Specific Plan, and the Coastal Transportation Corridor Specific Plan. In addition, the property is located within a Methane Zone, Liquefaction Area, Tsunami Inundation Zone, and within 4.4 kilometers of the Santa Monica Fault.

The project site currently maintains a 32-unit Apartment House that has been operated as a Hotel (unpermitted). The applicant seeks to legally convert the Apartment House into an Apartment Hotel comprised of 30 guest rooms (short-term occupancy) and 2 dwelling units. The project includes interior improvements to remove the kitchens from 30 dwelling units, no exterior work is proposed. No parking spaces or loading space are provided onsite and none are proposed.

The property fronts Ocean Front Walk to the southwest and an alley (Speedway) to the northeast. The parcel is located within a beach front area developed with commercial and residential uses within the R3-1 and RD1.5-1 zones. The lots adjacent to the project site (fronting Ocean Front Walk) are zoned R3-1 improved with a surface parking lot, single-family dwelling, multi-family residential structures (Apartment House, Apartment, and Condominium), Hotel, and a mixed-use structure. The properties north and east of the site are zoned RD1.5-1 and developed with multi-family residential structures.

The applicant is requesting a Zone Variance to allow the use and maintenance of an Apartment Hotel in the R3 zone and to waive the required loading space, Coastal Development Permit for the proposed change of use, Zoning Administrator's Adjustment to maintain reduced front, rear, and side yards, Project Permit Compliance Review for a project within the Venice Coastal Zone Specific Plan, and a Mello Act Compliance Review for the Conversion of 30 Residential Units to Guest Rooms within the Coastal Zone.

Chapter 3 of the Coastal Act includes provisions that address the impact of development on public services, infrastructure, traffic, the environment and significant resources, and coastal access. Applicable provisions are as follows:

Section 30222 Private lands; priority of development purposes. The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Section 30250 states that new development shall be located in areas able to accommodate it, areas with adequate public services, and in areas where such development will not have significant adverse impacts on coastal resources.

The recreation policies of the Chapter 3 (Article 3) state the importance of prioritizing the development of *visitor-serving commercial recreational facilities* that would enhance coastal access. However, Section 30222 states that such development should be encouraged in *private lands suitable* for such uses. While overnight visitor-serving uses would be appropriate uses in areas zoned for commercial use, the project proposes the conversion of a legally permitted Apartment House located in a residential zone (R3-1 zone) into an Apartment Hotel. The project seeks an after-the-fact approval. The existing structure is permitted as a multi-family, residential structure with 32 dwelling units and is located in and adjacent to a residentially-zoned neighborhood developed with similar multi-family, residential structures. The proposed Apartment Hotel use is not permitted in the R3 zone and is not consistent or compatible with the existing (legally permitted) multi-family residential uses in the area. Therefore, the proposed change of use, resulting in an Apartment Hotel within a developed residential neighborhood, would not be consistent with the Chapter 3 policies of the Coastal Act.

2. **The development WILL prejudice the ability of the City of Los Angeles to prepare a local coastal program that is in conformity with Chapter 3 of the California Coastal Act of 1976.**

Coastal Act Section 30604(a) states that prior to the certification of a Local Coastal Program ("LCP"), a coastal development permit may only be issued if a finding can be made that the proposed development is in conformance with Chapter 3 of the Coastal Act. The Venice Local Coastal Land Use Plan ("LUP") was certified by the California Coastal Commission on June 14, 2001; however, the necessary implementation ordinances were not adopted. The City is in the initial stages of preparing the LCP; prior to its adoption the guidelines contained in the certified LUP are advisory.

As discussed, the project consists of the conversion of a 32-dwelling unit Apartment House into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units, as well as interior improvements to remove the existing kitchens from 30 dwelling units. The property is zoned R3-1 with a General Plan Land Use designation of Medium Residential. The LUP also designates the site for Medium Density. The proposed project is NOT consistent with the following applicable

policies of the LUP:

Policy I. A. 8. Multi-Family Residential - Medium Density. Accommodate the development of multi-family dwelling units in the areas designated as "Multiple Family Residential" and "Medium Density" on the Venice Coastal Land Use Plan (Exhibits 9 through 12). Such development shall comply with the density and development standards set forth in this LUP.

c. North Venice

Use: Two units per lot, duplexes and multi-family structures.

Density: One unit per 1,200 square feet of lot area. Lots smaller than 4,000 square feet are limited to a maximum density of two units per lot.

Replacement Units/Bonus Density: Lots greater than 4,000 square feet can add extra density at the rate of one additional unit for each 1,200 square feet in excess of 4000 square feet of lot area if the unit is a replacement affordable unit reserved for low and very low income persons. (See LUP Policies I.A.9 through I.A.16). Height: Not to exceed 30 feet for buildings with flat roofs or 35 feet for buildings utilizing stepped back or varied rooflines. The portion of the structure that exceeds 30 feet in height shall be set back one horizontal foot for every foot in height above 30 feet. Structures located along walk streets are limited to a maximum height of 28 feet.

The proposed change of use to establish an Apartment Hotel would result in a use that is not permitted by the certified LUP. Policy I.A.8 limits uses, in areas designated for Medium Residential land use within the North Venice Subarea, to multi-family dwellings. Commercial uses are not permitted. The existing 32-unit Apartment House exceeds the permitted density and height of the LUP and provides zero parking spaces onsite. However, the structure was permitted prior to the adoption of the Coastal Act and the certification of the LUP; the density, height, and parking are legally nonconforming. The last Certificate of Occupancy issued for the structure is dated June 10, 1966.

While hotel uses are permitted and encouraged in the Coastal Zone, the policies of the LUP specify that such overnight visitor-serving uses are preferred in areas designated for Commercial land use:

Policy I. A. 17. Youth Hostels and Hotels. Development of temporary housing opportunities, such as hotels and youth hostels, shall be permitted through the conditional use permit/coastal development permit process in the Medium Density Residential and Community Commercial categories. The capacity of the proposed youth hostel shall be a factor of consideration for residential zones. Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in Community Commercial and General Commercial land use categories.

Policy I. B. 6. Community Commercial Land Use.

...Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in the Community Commercial land use category.

Apartment Hotel uses are not permitted by-right nor can one be approved through a conditional use permit in the R3 zone. Therefore, the Applicant has requested a Zone Variance. As discussed in Findings Nos. 7-11, the required findings to approve the requested Variance cannot be made. The project site is located in a residentially zoned area, developed with primarily residential uses. The proposed use does not conform to the regulations of the LUP as well as the underlying zone. As such, the proposed project will prejudice the ability of the City to prepare a local coastal program that is in conformity with Chapter 3 of the California Coastal Act.

3. **The Interpretive Guidelines for Coastal Planning and Permits as established by the California Coastal Commission dated February 11, 1977 and any subsequent amendments thereto have been reviewed, analyzed and considered in light of the individual project in making this determination.**

The Los Angeles County Interpretative Guidelines were adopted by the California Coastal Commission (October 14, 1980) to supplement the Statewide Guidelines. Both regional and statewide guidelines, pursuant to Section 30620 (b) of the Coastal Act, are designed to assist local governments, the regional commissions, the commission, and persons subject to the provisions of this chapter in determining how the policies of this division shall be applied to the coastal zone prior to the certification of a local coastal program. As stated in the Regional Interpretative Guidelines, the guidelines are intended to be used "in a flexible manner with consideration for local and regional conditions, individual project parameters and constraints, and individual and cumulative impacts on coastal resources. In addition to the Regional Interpretative Guidelines, the policies of Venice Local Coastal Program Land Use Plan (the Land Use Plan was certified by the Coastal Commission on June 14, 2001) have been reviewed and considered. The project consists of the change of use of a 32-unit Apartment House to an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. The Regional Interpretive Guidelines have been reviewed and are not applicable to the proposed project. The Guidelines outline density, height, parking and access, and massing provisions. As previously discussed, no exterior work is proposed. The proposed change of use is not consistent with the policies of the LUP and standards of the Specific Plan.

4. **The decision of the permit granting authority has been guided by any applicable decision of the California Coastal Commission pursuant to Section 30625(c) of the Public Resources Code, which provides that prior decisions of the Coastal Commission, where applicable, shall guide local governments in their actions in carrying out their responsibility and authority under the Coastal Act of 1976.**

A certified Local Coastal Program does not exist for the Venice Coastal Zone as such the Coastal Commission's standard of review is the Coastal Act. However, the Land Use Plan was certified by the Coastal Commission and is used as guidance by the Commission in their review and action on cases in the Venice Coastal Zone. The project consists of the conversion of an Apartment House into an Apartment Hotel in an area designated for Medium Density residential use. As previously discussed, the proposed Apartment Hotel is not permitted by-right in the

R3 zone nor by the policies of the LUP.

Applicable decisions of the Coastal Commission regarding similar conversions in areas designated for residential use were not found, however, the Commission approved a similar project on Ocean Front Walk by the same applicant:

Application No. 5-14-1932 (and subsequent amendments) – On November 4, 2015, the Commission approved the after-the-fact request for a change of use from a 31-unit apartment building to a Transient Occupancy Residential Structure (TORS) with 30 short-term rental units and one moderate cost apartment unit; located at 2 Breeze Avenue (fronting Ocean Front Walk).

Although the Commission approved the proposed change of use, the project was located in the C1-1 zone and designated for Community Commercial land uses. The Proposed TORS is permitted by conditional use in the C1 zone and such overnight visitor-serving uses are encouraged and preferred in areas designated for Community Commercial land uses. The Commission, in their action, considered both the Chapter 3 policies of the Coastal Act and the land use and development standards (policies) of the certified LUP. As outlined in Policy 1.A.8 of the LUP, multi-family residential uses are permitted in the Medium Residential Land Use Designation.

As such, this decision of the permit granting authority has been guided by applicable decisions of the California Coastal Commission pursuant to Section 30625(c) of the Public Resources Code, which provides that prior decisions of the Coastal Commission, where applicable, shall guide local governments in their actions in carrying out their responsibility and authority under the Coastal Act of 1976.

5. **The development is located between the nearest public road and the sea or shoreline of any body of water located within the coastal zone, and the development is in conformity with the public access and public recreation policies of Chapter 3 of the California Coastal Act of 1976.**

The subject property fronts Ocean Front Walk and abuts Speedway (alley) to the rear. As such, the property is located between the nearest public road and the sea, within the Dual Jurisdiction of the Coastal Zone. Chapter 3 of the Coastal Act provides the following policies regarding public access and public recreation:

Section 30210 Access. In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30211 Development not to interfere with access. Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

The proposed project consists of a change of use from an Apartment House to an Apartment Hotel, no exterior improvements are proposed that would change the existing footprint, massing, height, parking, or pedestrian/vehicle access to or adjacent to the site. The proposed project is limited to the property; no work is proposed on Ocean Front Walk or Speedway. As such the project will not interfere with public access to the coast. The area contains public walkways and streets that provide adequate access to Venice Beach and serve the larger circulation system; there is no adjoining public access point or public recreation facility that will be affected by this request.

6. An appropriate environmental clearance under the California Environmental Quality Act has been granted.

Pursuant to Section 210810(b)(5) of the California Environmental Quality Act, projects which a public agency rejects or disapproves are not subject to environmental review. In denying the project, the Associate Zoning Administrator did not issue a finding regarding the environmental clearance for this project.

Zone Variance

In order for a Zone Variance to be granted, all of the requisite findings maintained in Section 12.27 of the Los Angeles Municipal Code must be made.

The applicant's request includes two separate Zone Variance requests to: allow the use and maintenance of an Apartment Hotel in the R3 zone and to waive a loading space; a loading space is required (onsite) in conjunction with a hotel. In denying the Variance to allow the use and maintenance of an Apartment Hotel in the R3 zone, the subject site is not required to provide a loading space and the requested deviation from LAMC Section 12.21-C.6 is not necessary.

7. The strict application of the provisions of the zoning ordinance would NOT result in practical difficulties or unnecessary hardships inconsistent with the general purposes and intent of the zoning regulations.

The proposed project consists of the change of use from a 32-unit Apartment House into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. A Zone Variance is requested to allow the use and maintenance of an Apartment Hotel in the R3-1 zone, with a land use designation of Medium Residential, and to waive the requirement of a loading space in conjunction with the proposed Apartment Hotel use. The subject site fronts Ocean Front Walk to the southwest and Speedway to the north east. While much of the lots fronting Ocean Front Walk are zoned C1-1 with a land use designation of Community Commercial, the subject site is located within a neighborhood block that is zoned R3-1 and designated for Medium Residential use. The site was previously zoned C1-1 but was rezoned to R3-1 in 1989, pursuant to Ordinance 164,844, as part of the City's General Plan/Zoning Consistency Program (California Government Code Section 65860(d)); the designation of Medium Residential land use was maintained. The applicant has been operating the existing Apartment as a Hotel-but did not legally change the use of the structure, prior to the effective date of the zone change.

The existing structure was constructed in 1921 as an Apartment House. The

earliest permit record of the structure, maintained by the City of Los Angeles Department of Building and Safety (LADBS), is a building alterations/repair permit issued August 18, 1926; the permit identifies an Apartment House. A Certificate of Occupancy was issued on June 10, 1966 for a: Four-story, Type II-A, 30-foot by 129-foot, 32-unit Apartment; H-Occupancy. As such, the legally permitted use of the existing structure is an Apartment House comprised of 32 dwelling units.

The Los Angeles Municipal Code (LAMC) first allows the use and maintenance of Apartment Hotels in the R4 and R5 zone subject to requirements of the lot (frontage on a major or secondary highway, does not abut a single-family residential zone, and that 25 percent or more of the area of the lot is also classified as a commercial zone). Furthermore, Apartment Hotels in the commercial zones are only permitted by a conditional use permit (LAMC Section 12.24-W.24) if the use is located within 500 feet of any Agricultural or Residential zone, recognizing that the use and operation of a hotel use, the frequency of hotel guests and vehicles, proximate to residential uses, could negatively impact the residents nearby.

As such, the strict application of the permitted uses of the R3 zone (LAMC Section 12.10-A) would not result in practical difficulty or unnecessary hardship. While an Apartment Hotel use would have been permitted when the lot was zoned C1-1 (prior to 1989), a change of use was never requested. The illegal conversion is a self-imposed hardship. The legalization of the unpermitted use would not be consistent with the intent of the zoning code, to limit such hotel uses to the R4 or R5 zone commercially zoned areas with. In denying a zone variance to allow the use and maintenance of an Apartment Hotel, the requested variance to waive the requirement of a loading space is no longer necessary. The existing Apartment House use is not required to provide a loading space.

8. **There are NO special circumstances applicable to the subject property such as size, shape, topography, location or surroundings that do not apply generally to other property in the same zone and vicinity.**

There are no special circumstances to the subject site. The subject lot is located within a neighborhood block zoned R3-1 and with a land use designation of Medium Residential. The subject lot is comparable in size and shape to the legal lots within the neighborhood block and maintains a four-story, 32-unit Apartment House. The subject lot and structure maintain frontages on Ocean Front Walk and Speedway. There are no easements or physical obstructions that would obstruct or impact the use of the structure as an Apartment House. The legally permitted use is consistent with the existing uses proximate to the site and permitted for the area. Furthermore, in denying the requested variance to allow the use of an Apartment Hotel, the property is not required to provide a loading space.

9. **The variance is NOT necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other property in the same zone and vicinity but which, because of the special circumstances and practical difficulties or unnecessary hardships, is denied to the property in question.**

The site currently maintains a four-story, 32-unit Apartment House. The structure has been illegally operated as a Hotel. As previously discussed, there are no special circumstances, practical difficulties, or unnecessary hardships that prevent the use and operation of the legally permitted Apartment House. The subject site and adjacent lots are zoned R3-1 and designated for Medium Residential land use. There is one existing Hotel in the neighborhood block zoned R3-1, located at 401-405 Ocean Front Walk. However, the Hotel use is legally permitted. A Certificate of Occupancy was issued on September 23, 1966 for a four-story, Type III-A, 47-foot 6-inch by 123-foot 6-inch Hotel, having 1-Dwelling Unit, 42 Guest Rooms, and 3 two-room Suites; H-3 Occupancy. The legal use of the Hotel was established through the issuance of a Certificate of Occupancy, prior to a zone change rezoning the block from C1 to R3 (effective June 21, 1989), and was not granted through a Variance or any other deviation from the requirements of the LAMC.

The project site maintains a structure that is in good repair and located within an area of the city where there is an increased demand for affordable and market rate housing. Each dwelling unit within the structure maintains livable area, a bathroom, and kitchen; no physical improvements are required. A multi-family residential use (Apartment) is an appropriate use for the subject site and is consistent with the existing development proximate to the site. As such, a variance is not necessary.

10. **The granting of the variance WILL be materially detrimental to the public welfare, or injurious to the property or improvements in the same zone or vicinity in which the property is located.**

The project proposes the conversion of a 32-unit Apartment into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. No physical improvements are proposed to alter the height, massing, or required parking to the site, however, the applicant proposes the removal of the existing kitchens within the 30 dwelling units. The proposed Apartment Hotel would replace 30 dwelling units with guest rooms, a short-term occupancy use. As previously discussed, the project site is located within an area zoned and designated for multi-family residential uses; hotel uses are neither permitted by-right, nor by conditional use. The neighborhood block and lots immediately adjacent to the site are developed with multi-family residential uses. The project would legalize a use that is not consistent with the immediate area.

Furthermore, the City of Los Angeles has been in and continues to be in a housing crisis. The City's Housing Element 2013-2021 (adopted December 3, 2013) discusses the need to preserve and maintain the existing housing stock while encouraging the production of both market rate and affordable housing units. The existing structure was constructed prior to October 1, 1978 and is subject to the provisions of the Rent Stabilization Ordinance (RSO). The removal of 30 dwelling units would significantly reduce the availability of rental housing stock in the area and is inconsistent with the objectives and policies of the Housing Element and Venice Community Plan that seek to preserve existing housing and provide multi-family dwellings in areas zoned for higher densities. Therefore, the proposed change of use, resulting in the loss of 30 dwelling units and establishment of an Apartment Hotel use in a residentially zoned area, will be materially detrimental to the public welfare.

11. **The granting of the variance WILL adversely affect any element of the General Plan.**

The General Plan is the City's roadmap for future growth and development. The General Plan Elements establish goals, policies, purposes, and programs that provide for the regulatory environment in managing the City, and for addressing environmental concerns and problems. The majority of the policies derived from these elements are in the form of Municipal Code requirements. The General Plan is comprised of the Framework Element, seven state-mandated elements, and four additional elements.

The Framework Element establishes the broad overall policy and direction for the General Plan; many of the goals, objectives, and policies of the Framework Element state the importance of maintaining existing residential neighborhoods. *Goal 3.C Multi-family neighborhoods that enhance the quality of life for the City's existing and future residents, includes:*

Objective 3.7 Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.

The Housing Element of the General Plan further promotes the production and preservation of housing for all income levels throughout the City. *Goal 1 Housing Production and Preservation, includes:*

Objective 1.2 Preserve quality rental and ownership housing for households of all income levels and special needs.

Policy 1.2.2 Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

The Land Use Element of the General Plan divides the City into 35 Community Plan areas; the subject site is within the Venice Community Plan which designates the property for Medium Residential land uses with a corresponding zone of R3 and Height District No. 1. *Goal 1 A safe, secure, and high quality residential environment for all community residents, includes:*

Objective 1-1 To provide for the preservation of the housing stock and its expansion to meet the diverse economic and physical needs of the existing residents and projected population of the Plan area to the year 2010.

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

Policy 1-1.4 Promote the preservation of existing single-family and multi-family

neighborhoods.

Objective 1-4 To promote the adequacy and affordability of multiple-family housing and increase its accessibility to more segments of the population.

Policy 1-4.2 Ensure that new housing opportunities minimize displacement of residents.

The goals, objectives, and policies of the General Plan address the importance of preserving existing residential neighborhoods and prioritizing the production of residential uses (dwelling units and housing) in areas designated for residential use. As previously discussed, the project proposes a use that is not permitted in the R3 zone, nor intended for areas designated for Medium Residential land use. The project would convert 30 dwelling units into guest rooms, removing permanent rental housing from an area. The loss of 30 dwelling units would significantly impact the housing stock (in the Coastal Zone) and conflicts with the objective and policies for development of residentially zoned land. The requested Variance to allow an Apartment Hotel in the R3-1 zone is not consistent with the goals, objective, and policies outlined above and would adversely affect the Framework, Housing, and Land Use Elements of the General Plan.

Zoning Administrator's Adjustment

In order for an adjustment from the zoning regulations to be granted, all of the legally mandated findings delineated in Section 12.28 of the Los Angeles Municipal Code must be made in the affirmative. Following (highlighted) is a delineation of the findings and the application of the relevant facts of the case to same:

12. **While site characteristics or existing improvements make strict adherence to the zoning regulations impractical or infeasible, the project nonetheless conforms with the intent of those regulations.**

The subject site is improved with a four-story, 32-unit Apartment House on a lot 37.5 feet in width and approximately 129 feet in depth. The existing structure observes a front and rear yard of zero feet and side yards of 3 feet 6 inches. The applicant is requesting a Zoning Administrator's adjustment to maintain the existing nonconforming yards in conjunctions with the proposed change of use. As outlined in LAMC Section 12.23-B.7(a), *any change of use of a building or a portion of a building must conform to the current regulations of the zone and other applicable current land use regulations.* The R3 zone requires a front and rear yard setback of 15 feet and side yards no less than 5.7 feet (10 percent of the lot width and one additional story for each additional story above the second story).

The intent of the zoning regulations is to provide adequate open space for light and air, to prevent and fight fires, to conserve property values, and to promote health, safety, and welfare in accordance with the General Plan. These regulations are written on a Citywide basis and do not take into account the unique characteristics of an individual property or neighborhood. As previously discussed, the project seeks to change the use of the structure, but does not propose any physical improvements alter the exterior walls, massing, or height of the existing

building. The structure fronts Ocean Front Walk, a pedestrian walkway approximately 60 feet in width, to the west and a 20-foot-wide alley (Speedway) to the east. Therefore, adequate access is provided to and through the property for the purposes of fire safety and emergency services.

13. **In light of the project as a whole including any mitigation measures imposed, the project's location, size, height, operations and other significant features will NOT be compatible with and WILL adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety.**

The project proposes the conversion of a 32-unit Apartment into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. No physical improvements are proposed to alter the height, massing, or required parking to the site, however, the applicant proposes the removal of the existing kitchens within the 30 dwelling units. The proposed Apartment Hotel would replace 30 dwelling units with guest rooms, a short-term occupancy. As previously discussed, the project site is located within an area zoned and designated for multi-family residential uses; hotel uses are neither permitted by-right, nor by conditional use. The neighborhood block and lots immediately adjacent to the site are developed with multi-family residential uses. The project would legalize a use that is not consistent with the immediate area.

Furthermore, the City of Los Angeles has been in and continues to be in a housing crisis. The City's Housing Element 2013-2021 (adopted December 3, 2013) discusses the need to preserve and maintain the existing housing stock while encouraging the production of both market rate and affordable housing units. The existing structure was constructed prior to October 1, 1978 and is subject to the provisions of the Rent Stabilization Ordinance (RSO). The removal of 30 dwelling units would significantly reduce the availability of rental housing stock in the area and is inconsistent with the objectives and policies of the Housing Element and Venice Community Plan that seek to preserve existing housing and provide multi-family dwellings in areas zoned for higher densities. Therefore, the proposed change of use, resulting in the loss of 30 dwelling units and establishment of an Apartment Hotel use in a residentially zoned area, is not compatible with the surrounding neighborhood and will adversely affect the public health, welfare, and safety.

14. **The project is NOT in substantial conformance with the purpose, intent, and provisions of the General Plan, the applicable community plan, and any specific plan.**

The subject site is located within the North Venice Subarea of the Venice Specific Plan. The proposed change of use resulting in an Apartment Hotel does not conform to the purpose, intent, and provisions of the Framework Element, Housing Element, Venice Community Plan, Venice Land Use Plan, and Venice Coastal Zone Specific Plan, as discussed below.

The Framework Element establishes the broad overall policy and direction for the General Plan; many of the goals, objectives, and policies of the Framework

Element state the importance of maintaining existing residential neighborhoods. *Goal 3.C Multi-family neighborhoods that enhance the quality of life for the City's existing and future residents, includes:*

Objective 3.7 Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.

The Housing Element of the General Plan further promotes the production and preservation of housing for all income levels throughout the City. *Goal 1 Housing Production and Preservation, includes:*

Objective 1.2 Preserve quality rental and ownership housing for households of all income levels and special needs.

Policy 1.2.2 Encourage and incentivize the preservation of affordable housing, including non-subsidized affordable units, to ensure that demolitions and conversions do not result in the net loss of the City's stock of decent, safe, healthy or affordable housing.

The Land Use Element of the General Plan divides the City into 35 Community Plan areas; the subject site is within the Venice Community Plan which designates the property for Medium Residential land uses with a corresponding zone of R3 and Height District No. 1. *Goal 1 A safe, secure, and high quality residential environment for all community residents, includes:*

Objective 1-1 To provide for the preservation of the housing stock and its expansion to meet the diverse economic and physical needs of the existing residents and projected population of the Plan area to the year 2010.

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

Policy 1-1.4 Promote the preservation of existing single-family and multi-family neighborhoods.

Objective 1-4 To promote the adequacy and affordability of multiple-family housing and increase its accessibility to more segments of the population.

Policy 1-4.2 Ensure that new housing opportunities minimize displacement of residents.

The Venice Land Use Plan (LUP) was adopted as a plan amendment to the Venice Community Plan. Both the LUP and the Venice Coastal Zone Specific Plan provide the following provisions regarding areas designated for Medium Residential land use in the North Venice subarea:

Policy I.A.8. Multi-Family Residential - Medium Density. Accommodate the development of multi-family dwelling units in the areas designated as "Multiple Family Residential" and "Medium Density" on the Venice Coastal Land Use Plan (Exhibits 9 through 12). Such development shall comply with the density and development standards set forth in this LUP.

c. North Venice - Use: Two units per lot, duplexes and multi-family structures; Density: One unit per 1,200 square feet of lot area. Lots smaller than 4,000 square feet are limited to a maximum density of two units per lot.

The goals, objectives, and policies of the General Plan address the importance of preserving existing residential neighborhoods and prioritizing the production of residential uses (dwelling units and housing) in areas designated for residential use. As previously discussed, the project proposes a use that is not permitted in the R3 zone, nor intended for areas designated for Medium Residential land use. The project would convert 30 dwelling units into guest rooms, removing permanent rental housing from an area. The loss of 30 dwelling units would significantly impact the housing stock (in the Coastal Zone) and conflicts with the objective and policies for development of residentially zoned land. The requested Variance to allow an Apartment Hotel in the R3-1 zone is not consistent with the goals, objective, and policies outlined above and would adversely affect the General Plan, LUP, and Venice Coastal Zone Specific Plan.

Project Permit Compliance

15. **The project does not substantially comply with the applicable regulations, findings, standards, and provisions of the Venice Coastal Zone Specific Plan.**

The project consists of the change of use from a 32-unit Apartment House into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. The existing residential structure is four-stories and approximately 52 feet in height. The structure is legally nonconforming as to Specific Plan's development regulations for residential density, height, setbacks, and required parking. No physical changes are proposed to the structure that would require the application of the General Land Use and Development Regulations set forth in Section 9 or Land Use and Development regulations for the North Venice Subarea set forth in Section 10.F.

Furthermore, no additional parking as set forth in Section 13 would be required by the proposed change of use because the proposed Apartment Hotel use requires less parking than an Apartment House. The existing 32-unit Apartment currently maintains zero parking spaces (Certificate of Occupancy, June 10, 1966) and is legally nonconforming; the structure was constructed prior to the adoption of the Coastal Act and Venice Specific Plan. Based on the parking requirements of the Specific Plan, the required parking for a 32-unit Apartment House comprised of 32 dwelling units is 72 spaces (2 for each dwelling unit and 1 guest space for each 4 dwelling units) and the required parking for an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units is 36 spaces (2 spaces; plus, 1 space for each

guest room and 2 spaces for each dwelling unit). Pursuant to LAMC Section 12.21-A.4(m), a building undergoing a change of use is required to maintain any required existing spaces. In addition to maintaining any existing parking spaces, the total required parking is the difference between the required parking for the new and existing use. The proposed project would not be required to provide any new parking spaces because the proposed use is less intensive (in regards to parking) than the existing Apartment use.

Although the project is not subject to the development regulations (Sections 9 and 10.F) of the Specific Plan and is not required to provide any additional parking, the proposed change of use does not comply with several of the required Findings of the Venice Coastal Zone Specific Plan, as outlined below:

- a. **The Venice Coastal Development Project is compatible in scale but NOT compatible in character with the existing neighborhood, and would be materially detrimental to adjoining lots or the immediate neighborhood.**

No exterior improvements are proposed that would change the existing facade, massing, building footprint, or height of the structure. As such there would be no physical change to the scale or character of the neighborhood. The existing structure has been illegally operated as an Apartment Hotel, a use that is not permitted in the R3 zone. The Specific Plan provides that the factors considered in order to determine compatible character with the existing community includes *use, height, density, setback, buffer zone, and other factors* (Venice Coastal Zone Specific Plan, pg. 3). While no change is proposed to the massing or scale of the existing structure, the proposed Apartment Hotel use is not consistent with the uses in the neighborhood, comprised of primarily multi-family residential uses (legally permitted apartments). Therefore, the proposed use would not be material detrimental to the adjoining lots and immediate residential neighborhood.

- b. **The Venice Coastal Development Project is NOT in conformity with the certified Venice Local Coastal Program.**

As discussed in Finding No. 2 of this Determination, the Venice Local Coastal Program was not certified. However, the Venice Land Use Plan (LUP) was certified by the California Coastal Commission. The subject property is designated Medium Residential in the certified LUP and is zoned R3-1. The proposed project is NOT consistent with LUP Policy I.A.8, which seeks to *accommodate the development of multi-family dwelling units in the areas designated as "Multiple Family Residential" and "Medium Density" on the Venice Coastal Land Use Plan*. In the North Venice Subarea, the permitted use in areas designated for Medium Density are: *Two units per lot, duplexes and multi-family structures*.

The proposed change of use to establish an Apartment Hotel would result in a use that is not permitted by the certified LUP. Policy I.A.8 limits uses, in areas designated for Medium Residential land use within the North Venice Subarea, to multi-family dwellings. Commercial uses are not permitted. The existing 32-unit Apartment House exceeds the permitted density and height of the LUP and

provides zero parking spaces onsite. However, the structure was permitted prior to the adoption of the Coastal Act and the certification of the LUP; the density, height, and parking are legally nonconforming. The last Certificate of Occupancy issued for the structure is dated June 10, 1966.

While hotel uses are permitted and encouraged in the Coastal Zone, the policies of the LUP specify that such overnight visitor-serving uses are preferred in areas designated for Commercial land use:

Policy I. A. 17. Youth Hostels and Hotels. Development of temporary housing opportunities, such as hotels and youth hostels, shall be permitted through the conditional use permit/coastal development permit process in the Medium Density Residential and Community Commercial categories. The capacity of the proposed youth hostel shall be a factor of consideration for residential zones. Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in Community Commercial and General Commercial land use categories.

Policy I. B. 6. Community Commercial Land Use.

...Overnight visitor-serving uses, such as hotels and youth hostels, are preferred uses in the Community Commercial land use.

Apartment Hotel uses are not permitted by-right nor can one be approved through a conditional use permit in the R3 zone. Therefore, the Applicant has requested a Zone Variance. As discussed in Findings Nos. 7-11, the required findings to approve the requested Variance cannot be made. The project site is located in a residentially zoned area, developed with primarily residential uses. The proposed use does not conform to the regulations of the certified Land Use Plan as well as the underlying zone.

- c. **The applicant has guaranteed to keep the rent levels of any Replacement Affordable Units at an affordable level for the life of the proposed project and to register the Replacement Affordable Unit with the Los Angeles Housing Department.**

The proposed change of use is subject to the requirements of the Mello Act and the provisions of the City of Los Angeles Interim Administrative Procedures for Complying with the Mello Act (IAP). As required by the IAP and as discussed in Finding No. 17, the Housing and Community Investment Department (HCIDLA) reviewed information submitted by the Applicant from February 2012 to February 2015. In a letter dated March 23, 2015, the Housing and Community Investment Department (HCIDLA) determined that there are no Affordable Existing Residential Units at the subject site. Therefore no Affordable Replacement Units are required, pursuant to the requirements of the Mello Act as set forth in California Government Code Sections 65590 and 65590.1 and by the City of Los Angeles Interim Administrative Procedures for Complying with the Mello Act.

The existing Apartment House was constructed prior to October 1, 1978 and is also subject to the requirements of the Rent Stabilization Ordinance (RSO).

Compliance with the provisions of the RSO are reviewed by HCIDLA.

- d. **The Venice Coastal Development Project is consistent with the special requirements for low- and moderate-income housing units in the Venice Coastal Zone as mandated by California Government Code Section 65590 (Mello Act).**

The proposed project consists of the change of use of a 32-unit Apartment House into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. As such, the proposed project will not result in the development of 10 or more new Residential Units and is not subject to the Inclusionary Residential Unit Requirements set forth in California Government Code Sections 65590 and 65590.1. (Mello Act) and Part 2.4.2 of the Interim Administrative Procedures.

16. **The project incorporates mitigation measures, monitoring measures when necessary, or alternatives identified in the environmental review that would mitigate the negative environmental effects of the project, to the extent physically feasible.**

Pursuant to Section 210810(b)(5) of the California Environmental Quality Act, projects which a public agency rejects or disapproves are not subject to environmental review. In denying the project, the Associate Zoning Administrator did not issue a finding regarding the environmental clearance for this project.

Mello Act Compliance Review

Pursuant to the City of Los Angeles Interim Administrative Procedures for Complying with the Mello Act, all Conversions, Demolitions, and New Housing Developments must be identified in order to determine if any Affordable Residential Units are onsite and must be maintained, and if the project is subject to the Inclusionary Residential Units requirement. Accordingly, pursuant to the settlement agreement between the City of Los Angeles and the Venice Town Council, Inc., the Barton Hill Neighborhood Organization, and Carol Berman concerning implementation of the Mello Act in the Coastal Zone Portions of the City of Los Angeles, the findings are as follows:

17. **Demolitions and Conversions (Part 4.0).**

The project proposes the change of use of a 32-unit Apartment House into an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units. In a letter dated March 23, 2015, the Housing and Community Investment Department (HCIDLA) determined that there are no Affordable Existing Residential Units at the subject site. HCIDLA analyzed data for the property from February 2012 to February 2015 and found the structure and existing units have been operating as extended-stay suites advertised as the "Venice Beach Hotel." Based on information provided by the owner, Unit No. 25 is the only Residential Unit with a long-term occupant. Upon review of rental logs for the unit, HCIDLA found the housing cost to be above the affordable level. Therefore, pursuant to the provisions of the Interim Administrative Procedures for Complying with the Mello Act, no Affordable Existing Residential Units will be demolished or converted and the project is not required to provide any Affordable Replacement Units.

The existing Apartment House was constructed prior to October 1, 1978 and is also subject to the requirements of the Rent Stabilization Ordinance (RSO). Compliance with the provisions of the RSO are reviewed by HCIDLA.

18. **New Housing Developments (Part 5.0).**

The project would result in an Apartment Hotel comprised of 30 guest rooms and 2 dwelling units and would not result in the development of 10 or more new Residential Units. Pursuant to Part 2.4.2 of the Interim Administrative Procedures, developments which consist of nine or fewer Residential Units are Small New Housing Developments and are categorically exempt from the Inclusionary Residential Unit requirement. Therefore, the proposed project is found to be categorically exempt from the Inclusionary Residential Unit requirement for New Housing Developments.

ADDITIONAL MANDATORY FINDINGS

19. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this Project is located in Zone B, areas between limits of the 100-year flood and 500-year flood; or certain areas subject to 100-year flooding with average depths less than 1 foot or where the contributing drainage area is less than 1 square mile; or areas protected by levees from the base flood.
20. Pursuant to Section 210810(b)(5) of the California Environmental Quality Act, projects which a public agency rejects or disapproves are not subject to environmental review. In denying the project, the Associate Zoning Administrator did not issue a finding regarding the environmental clearance for this project.

Inquiries regarding this matter shall be directed to Juliet Oh, City Planner at juliet.oh@lacity.org or (213) 978-1186.



DAVID S. WEINTRAUB
Associate Zoning Administrator

DW:DL:jo


cc: Councilmember Mike Bonin
Eleventh District
Adjoining Property Owners
Interested Parties



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

DATE: March 23, 2015

TO: Kevin Jones, City Planner
City Planning Department

FROM: Robert Manford, Environmental Affairs Officer
Los Angeles Housing and Community Investment Department 

SUBJECT: **Mello Act Determination for
417 Ocean Front Walk, Venice, CA 90291**

Planning Case #: ZA-2015-0629 (CDP) (ZV) (ZAA) (SPP) (MEL)

Based on information provided by the owner, VENICE SUITES, LLC A CALIFORNIA LIMITED LIABILITY COMPANY, the Los Angeles Housing + Community Investment Department (HCIDLA) has determined that no affordable units exist at 417 Ocean Front Walk, Venice CA 90291.

The thirty-two (32) unit property currently operating as extended stay suites is comprised of twelve (12) one-bedroom and twenty (20) single room occupancy unit. Per the statement provided by the owner, they are proposing to convert the property from an apartment to transient occupancy residential. Venice Suites, LLC purchased the property on September 14, 1999 and has filed building permit (#14016-10000-20638).

Section 4.4.3 of the Interim Administrative Procedures for Complying with the Mello Act requires that HCIDLA collect monthly housing cost data for at least the previous three years. The owner's Mello application statement was received by HCIDLA on February 11, 2015. HCIDLA must collect data from: February, 2012 through February, 2015.

On January 26, 2015, HCIDLA's Code Enforcement sent the owner a Notice and Order to Comply for an illegal change of occupancy from R-2 apartment rental to R-1 short term hotel/motel rental. The website www.venicesuites.com advertises the property as "Venice Beach Hotel." Owner has applied for City Planning Case: ZA-2015-0629 (CDP) (ZV) (ZAA) (SPP) (MEL) to receive a zone variance to change the building's use to transient occupancy.

On February 25, 2015, HCID sent a Request for Determination as Eligible Household Under Mello Act Regulations package via certified mail to Unit #25. The occupant in Unit #25 did not respond to HCID's Request for Determination. Per the owner, the occupant in Unit #25 who is renting a single room unit is the only long term occupant. The occupant's tenancy commenced in January 2002 and housing cost for the last three (3) years averaged \$1,988. On January 26, 2015 a Notice to Increase Rent to \$2,136.30 effective March 1, 2015 was provided to Unit #25 and acknowledged by the occupant. The average rents for all other units are also above affordable.

Based on the owner's rent logs and 2011-2013 IRS Form 1040 Schedules E, Unit #25 and the remaining units had a housing cost that was above affordable for the prior three (3) years.

cc: Los Angeles Housing and Community Investment Department File
VENICE SUITES, LLC A CALIFORNIA LIMITED LIABILITY COMPANY, Owner
Richard A. Rothschild, Western Center on Law and Poverty, Inc.
Susanne Browne, Legal Aid Foundation of L.A
Susan Gosden, RSO Determinations Unit

RM:MAC:RB:rl