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Date: 5-28-19

Submitted in PLUM Committee

Council File No: 18-1206

Item No.: 5

Deputy: Communication from Appellant Representative

APPELLANTS' PRESENTATION

Onni's Olympic/Hill Condo Project (VTT-74760, ENV-2019-1792-SCEA)

Presented to City of Los Angeles PLUM Committee (May 28, 2019)

Gideon Kracov, Esq. on Behalf of Unite Here Local 11 and Antonio Mendoza



BASIS OF APPEAL: CITY CANNOT MAKE THE REQUIRED LAND USE FINDINGS WITHOUT AFFORDABILITY AND MEANINGFUL CONDITIONS PREVENTING HOTEL/SHORT-TERM RENTAL USE

Mandatory VTT and SCEA findings include:

- The proposed map and design/improvement of the proposed subdivision is consistent with applicable general and specific plans.
- The site is physically suitable for the type and proposed density of development
- The Project is consistent with the general use designation, density, building intensity, and applicable policies specified in the project area in the current SCAG RTP/SCS.
- The Project contains at least 50 percent residential use.



APPELLANTS' REQUEST: *IMPOSE CONDITION ENSURING ONNI PROVIDES ACTUAL HOUSING UNITS, INCLUDING AFFORDABLE HOUSING*

The Project must:

1. Be used for Condo purposes as professed by Onni;
2. Cannot operate as a Transient Occupancy Residential Structure (TORS) or other kind of short-term rental;
3. If used as an apartment, cannot be leased without a reasonable initial lease term (e.g., six months); and
4. Satisfy all affordable housing requirements.

PROJECT BACKGROUND

- Entitlements:
 - TFAR: Transfer of Floor Area Rights (adding 354,277 square feet & 7:1 FAR).
 - MCUP: Master Conditional Use Permit to allow full-line alcohol for on-site consumption, in conjunction with up to four establishments.
 - SPR: Site Plan Review for a project that results in 50 or more residential units.
- Total 657,943-SF, 13:1 FAR.
- 60-Story, 760' tall.
- 15,000-SF Commercial Space.
- 700-residential dwelling units (condos)—**Zero Affordable Units.**

ONNI'S PAST PRACTICE: *PROMISES RESIDENTIAL BUT CONVERTS TO HOTEL & SHORT-TERM RENTAL*

- 888 S. Olive St. (City of LA): Promised a 300+ condo units in 2008-2013 for Level property, but converted into TORS via Building & Safety Permits in 2017.
- City of Vancouver: In May 2017, the city fined Onni \$24,000 for illegal short-term rentals at its Level property after it refused to comply with two city-warnings to stop the practice.
 - "This is hugely problematic ... completely undermine the social fabric of the city."
—Coun. Adriane Carr (emph. added)
- City of Vancouver: After receiving increase density on the promise of 130 market-rentals and daycare, Onni market units offered for \$5,400 and 6,600 per month in late-2017.
 - "This is not for the local market ... This is not solving the housing affordability crisis in this city ... I absolutely would not have approved it."
—Coun. Adriane Carr (emph. added)
- City of Richmond, Ontario: In 2012, Onni promised/constructed six low-rise apartment buildings, but left the buildings vacant and later sought a zone change to allow a hotel in 2017.
 - "We're having the same problem other cities are having which is Onni says one thing during the development process and then does another thing years later."
—Coun. Carol Day (emph. added)

CONTEXT: CITY'S DESPERATE NEED FOR HOUSING, NOT SHORT-TERM RENTALS

- The City is currently in the midst of an unprecedented housing crisis, with housing vacancy rates the lowest of any major city in the United States.
- According to the UCLA Ziman Center, Los Angeles housing prices have grown about four times faster than incomes since 2000 and "affordable housing production and preservation needs to accelerate."
- According to Harvard University's Joint Center for Housing Studies, Los Angeles has been ranked the second-least affordable region for middle-class people seeking to buy a home.
- The rental vacancy rate in the LA metro area was 2.4% (4Q 2016), which was the second lowest in the country.
- 55 percent of all households paid greater than 30 percent of their income for housing costs, and thus considered "cost burdened."

APPELLANTS' STANDING

- HRE Local 11:
 - Represents more than 25,000 workers employed in hotels, restaurants, airports, sports arenas, and convention centers throughout Southern California.
 - Include dozens who live and work in the City who join together to fight for improved living standards and working conditions, so that our City is a place they can afford to live and work.
 - Appeal in furtherance of Local 11's right to make comments to public officials in connection with matters of public concern about affordable housing and compliance with zoning rules, which is protected by the First Amendment, the Noerr-Pennington doctrine and is within the core functions of the union.
- Antonio Mendoza:
 - Los Angeles resident and resides approximately 0.3 miles from the Project Site.

WITHOUT AFFORDABLE HOUSING OR CONDITION PREVENTING TORS/SHORT-TERM RENTAL, PROJECT CONFLICTS WITH GOALS, POLICIES, AND OBJECTIVES: *CITY'S HOUSING* *ELEMENT*

- **Goal 1:** A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, and suitable for their various needs.
- **Policy 1.1.1:** Expand affordable home ownership opportunities and support current homeowners in retaining their homeowner status.
- **Policy 1.1.2:** Expand affordable rental housing for all income groups that need assistance.
- **Policy Objective 2.5:** Promote a more equitable distribution of affordable housing opportunities throughout the City.
- **Policy Objective 2.5.1:** Target housing resources, policies and incentives to include affordable housing in residential development, particularly in mixed use development, Transit Oriented Districts and designated Centers.
- **Policy Objective 2.5.2:** Foster the development of new affordable housing units Citywide and within each planning area.

WITHOUT AFFORDABLE HOUSING OR CONDITION PREVENTING TORS/SHORT-TERM RENTAL, PROJECT CONFLICTS WITH GOALS, POLICIES, AND OBJECTIVES: CENTRAL CITY COMMUNITY PLAN

- **Residential Issue:** Create a significant increase in housing for all incomes, particularly of middle-income households.
- **Residential Issue:** Lack of affordable housing for workers in the industrial sector thus aggravating the jobs-housing imbalance.
- **Residential Objective 1-1:** To promote development of residential units in South Park.
- **Residential Policy 1-1.1:** Maintain zoning standards that clearly promote housing and limit ancillary commercial to that which meets the needs of neighborhood residents or is compatible with residential uses, including programs that: Designate the Land Use for South Park for residential in all future redevelopment plans, and Implement new housing ordinances and policies as appropriate that encourage multiple family residential development and promote transit-oriented, mixed-income and mixed-use neighborhoods downtown.
- **Residential Objective 1-3:** To foster residential development which can accommodate a full range of incomes.



WITHOUT AFFORDABLE HOUSING OR CONDITION PREVENTING TORS/SHORT-TERM RENTAL, PROJECT CONFLICTS WITH GOALS, POLICIES, AND OBJECTIVES: CITY CENTER REDEVELOPMENT PLAN

- **Section 411:** The social needs of the community include, but are not limited to, day care facilities, educational and job training facilities, permanent and temporary housing for extremely low-, very low- and low-income persons, shelters, shelter beds, housing for the elderly, services for runaways, and counseling programs and facilities and a Downtown community courthouse.
- **Section 508.3:** Within the South Park Development area, A major share of land use shall be devoted to housing, to be developed for all income groups and family sizes. Specialized facilities and amenities such as day care centers, playgrounds, and recreational areas designed for all aged groups should be developed in conjunction with new housing.
- **Section 700:** Actions by the City include Imposition wherever necessary (by conditional use permits or other means) of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use; and encouraging the provision of a variety of housing types, both in terms of income and construction, using federal and State assistance as appropriate.

WITHOUT AFFORDABLE HOUSING OR CONDITION PREVENTING TORS/SHORT-TERM RENTAL, PROJECT CONFLICTS WITH GOALS, POLICIES, AND OBJECTIVES: 2016 RTP/SCS

- Goal 2: Maximize mobility and accessibility for all people and goods in the region.
- Vision: Housing across the region is sufficient to meet the demands of a growing population with shifting priorities and desires, and there are more affordable homes for all segments of society.
- **Setting-How We Use Land Today-Our Housing Needs:** However, although these housing units are planned and zoned for, available data sources indicate that the supply of affordable housing has not met needs, despite strong building activity for market rate housing.
- **Challenges-Housing Affordability, Gentrification and Displacement:** The cost of housing in Southern California is among the highest in the nation. Across our region, home prices and rents continue to rise, and the region continues to experience a shortage of affordable housing... providing people throughout our region with access to high quality transit and ensuring that they also have access to more affordable housing are related objectives.
- **Land Use Strategy-Focus New Growth Around Transit:** Additional local policies that ensure that development in HQTAs achieve the intended reductions in VMT and greenhouse gas emissions include affordable housing requirements ... the strategies detailed below will be most successful if they are coordinated with land use strategies such as TOD and providing affordable housing.

CONCLUSION: “TRUST BUT VERIFY” WITH ADDITIONAL CONDITIONS

- Without affordable housing and condition preventing TORS/short-term rental, Project conflicts with applicable land use Goals, Policies, and Objectives .
- Onni has supposedly agreed to TORS condition for Project's Entitlements—why not put it here too. Onni can voluntarily agree to Condition if it truly intends to provide Condos and not short-term Rentals—why would they oppose it here.
- The City has imposed conditions on lease-terms for hotel projects when concerned about improper conversion into residential use (ZA-2004-4607,² ZA-98-0610)—why not here too?
- Condition is necessary because the Short-Term Rental Ordinance does not take effect until July 2019, does not cover short-term rentals greater than 30-days, CEQA review never analyzed the potential of short-term rental use, and Onni has pattern of practice of exploiting loop-holes.
- Place condition that ensures Project is (1) used for Condo purposes, (2) cannot be used for TORS or other kind of short-term rental, (3) cannot be used as an apartment without a reasonable initial lease term (e.g., six months), and (4) satisfy all affordable housing requirements.

² <http://planning.lacity.org/PdisCaseInfo/Home/GetDocument/Njc2YzVjODQtMmlwMy00ZDI2LTJjNmM1N2FkYzhINzFhZDUw0>