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July 25, 2019

Los Angeles City Council  
c/o Office of the City Clerk  
City Hall, Room 395  
Los Angeles, California 90012

Attention: PLUM Committee

Dear Honorable Members:

**550, 530, 522 SOUTH SHATTO PLACE / 3119 WEST 6TH STREET / SUSTAINABLE COMMUNITIES ENVIRONMENTAL ASSESSMENT / MITIGATION MONITORING PROGRAM; CF19-0392, LETTER TO FILE: RESPONSE TO COMMENTS**

**A. Project Summary:**

A Sustainable Communities Environmental Assessment (SCEA) has been prepared pursuant to Section 21155.2 of the California Public Resources Code. The subject of this Sustainable Communities Environmental Assessment (SCEA) is a proposed mixed-use development ("soul") at 550 South Shatto Place in the Wilshire Community Plan Area of the City of Los Angeles.

The proposed project involves the construction, use, and maintenance of a 222,944 square-foot, 31-story, mixed-use tower with 256 residential units and 2,507 square feet of office floor area. The project also includes the change of use of an existing, 12,800 square-foot building to commercial floor area. The project will set aside 29 units (11% of the total quantity of units) for Extremely Low Income Households. The proposed project includes 329 automobile parking spaces, 141 long-term bicycle parking spaces, and 17 short-term bicycle parking spaces, and 21,450 square feet of open space.

**B. Sustainable Communities Environmental Assessment (SCEA):**

The State of California adopted Senate Bill (SB) 375, the Sustainable Communities and Climate Protection Act of 2008, to outline growth strategies and better integrate regional land use and transportation planning which will help the State meet its greenhouse gas reduction mandates. SB 375 requires the State's 18 metropolitan planning organizations to incorporate a "sustainable communities strategy" with the regional transportation plans to achieve their respective region's greenhouse gas emission reduction targets set by the California Air Resources Board (CARB). The Southern California Association of Governments (SCAG) is the metropolitan planning organization that has jurisdiction over the Project site. SCAG

adopted the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) on April 7, 2016. For the SCAG region, CARB has set greenhouse gas reduction targets to eight percent below 2005 per capita emissions levels by 2020, and 13 percent below 2005 per capita emissions levels by 2035. The 2016 RTP/SCS outlines strategies to meet or exceed the targets set by ARB.

SB 375 provides CEQA streamlining benefits to transit priority projects (TPPs), such as the ability to utilize a Sustainable Communities Environmental Assessment (SCEA). Projects that qualify for a SCEA are afforded with the following benefits as it relates to CEQA review: 1) They shall not treat as cumulatively considerable cumulative effects adequately addressed and mitigated in prior EIRs; 2) They are not required to reference, describe, discuss growth-inducing impacts or project-specific or cumulative impacts from cars and light-duty truck trips generated by the project on global warming or the regional transportation network; and 3) They shall be reviewed under 'substantial evidence standard.'

The project was found to meet the necessary criteria to qualify for a SCEA. An analysis of the project, including a detailed explanation of this criteria was published within the completed document. The SCEA was released for public comment from May 23, 2019 through June 24, 2019. On June 26, 2019, a joint public hearing for the proposed project, Case Nos. ZA-2018-3985-MCUP-TOC-WDI-SPR and VTT-82171-CN, was held before the Associate Zoning Administrator and the Advisory Agency. At the time of the hearing, the case was held under advisement, pending the adoption of the SCEA by the City Council.

C. Project Background:

*Subject Property:*

The project site fronts approximately 190 feet along the northerly side of West 6th Street and 270 feet on the easterly side of Shatto Place, within the Wilshire Community Plan Area. The rectangular-shaped site is comprised of three (3) legal parcels totaling approximately 51,236 square feet (1.18 acres) bounded by West 6th Street to the south, South Shatto Place to the west, a commercial office structure to the north, and commercial and multi-family residential structures to the east. Existing development on the project site includes New Covenant Academy, a private kindergarten through 12th grade school. The existing former church structure on the project site is not listed in any federal, state, or local Register of Historic Resources; however, the 1936 former church building on the Project Site was identified by SurveyLA, the citywide historic resources survey overseen by the City of Los Angeles' Office of Historic Resources, as appearing to be eligible through survey evaluation for listing in the National Register of Historic Places, the California Register of Historical Resources, and as a local Historic-Cultural Monument.

*Project Proposal:*

As described, the proposed project involves the construction of a 31-story, mixed-use tower (Building B) with 227 market-rate units, one (1) market-rate manager unit, 29 units for extremely low income units, and 2,507 square feet of office space. In addition, as a result of the project, the existing 1936 church building (Building A) will be preserved and repurposed as restaurant uses, with limited architectural alterations that will not impact the structure's historic characteristics or potential for eligibility in any federal, state, or local Register of Historic Resources.

The existing Building A and proposed Building B would be physically connected by a new subterranean parking area providing access to both facilities and the amenities within. The two Buildings are also connected by open space areas on the ground level. The total floor

area within Building B would be 222,944 square feet. With the existing Building A at approximately 12,800 square feet, the total site's total floor area would be 235,744 square feet and Floor Area Ratio (FAR) of 4.25 to 1. The project is eligible for an increase in FAR from 1.5:1 to 4.25:1 through the Transit Oriented Communities (TOC) Affordable Housing Incentive Program.

Vehicle parking for the project will be provided in a four-level subterranean parking structure consisting of 329 parking spaces. Vehicular access to the project is proposed via the existing driveway on the east side of South Shatto Place.

The new Building B would contain 256 new residential units, including two (2) studio units, 150 one-bedroom units, 96 two-bedroom units, and eight (8) three-bedroom units. Four (4) of the units are proposed as three-story townhome-style units along South Shatto Place, with residential floor area on floors two and three and office floor area on floor one.

City approvals required to develop the proposed project include:

- a. Pursuant to Los Angeles Municipal Code (LAMC) Section 17.03 and 17.15, a Vesting Tentative Tract Map for the creation of six (6) airspace lots and the proposed Haul Route;
- b. Pursuant to LAMC Section 12.22 A.31, a Transit Oriented Communities Affordable Housing Incentive Program to permit an 80% increase in density consistent with the provisions of the Transit Oriented Communities Affordable Housing Incentive Program along with the following two (2) incentives for a qualifying Tier 4 project, reserving 29 units as affordable to and occupied by Extremely Low Income Households for a period of 55 years:
  - i. Authorization to provide side and rear setbacks consistent with the RAS3 Zone;
  - ii. Authorization to reduce required open space by 25%;
- c. Pursuant to LAMC Section 12.37 I, a Waiver of Dedication and Improvements along South Shatto Place and West 6th Street;
- d. Pursuant to LAMC Section 12.24 W.1, a Master Conditional Use Permit (MCUP) to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with three (3) proposed restaurants. All restaurants seeking to utilize the requested MCUP would have maximum hours of operation from 11:00 a.m. to 2:00 a.m., daily, with a combined floor area of 12,800 square feet;
- e. Pursuant to LAMC Section 16.05, a Site Plan Review for a development project resulting in a net increase of 50 or more residential units;
- f. Adoption of the Sustainable Communities Environmental Assessment (SCEA); and
- g. Approval of other permits, ministerial or discretionary, may be necessary in order to execute and implement the Project. Such approvals may include, but are not limited to: landscaping approvals, exterior approvals, storm water discharge permits, grading permits, haul route permits, and installation and hookup approvals for public utilities and related permits.

D. Housing Accountability Act:

The City of Los Angeles is subject to the Housing Accountability Act, a California State Law that limits the authority of local governments to restrict new housing development. The Housing Accountability Act requires local agencies to notify applicants if a project does not meet objective zoning standards within certain prescribed timelines.

The project is located in the C2 and CR Zones. The project includes the construction, use, and maintenance of a 31-story, 341-foot, mixed-use tower with 256 residential units and the continued use and maintenance of an existing church building in to 12,800 square feet of restaurant uses. The proposed 31-story, 341-foot, mixed-use tower is located wholly within the CR-1 Zone, which limits proposed structures to a maximum height of 75 feet and a maximum of six stories in height. As such, the proposed project is not consistent with the objective zoning standards of the CR Zone.

The project applicant was notified in May 2019 that the project's height was inconsistent with the CR-1 Zone. However, the project was filed on July 9, 2018 and the project was deemed complete August 13, 2018. According to the Housing Accountability Act, local agencies are required to notify the applicant of any inconsistencies with objective zoning standards no more than 60 days from date the application for the project is deemed to be complete. Because the height limitation of the CR Zone was not disclosed to the applicant within 60 days of the project's having been deemed to be complete, the City cannot disapprove the proposed project based on inconsistency with the height regulation of the CR-1 Zone.

Utilization of the Housing Accountability Act does not impact the analysis or conclusions of the SCEA. As analyzed, all existing environmental impacts reviewed in the SCEA are unchanged.

E. Public Comments Received:

Attachment A to this document provides the City's responses to the written public comments received during the SCEA's comment period. Copies of the written comments in their entirety can be found in the administrative record of Case No. ENV-2018-3986-SCEA and are additionally included in the Council File 19-0392, document labeled "Response to Comments." In summary, commenters raised concerns about the project's parking and air quality, noise, safety, hazards, and traffic impacts. As analyzed in the SCEA, these potential impacts were found to be less than significant.

In response to public comments from LAUSD, several mitigation measures have been revised to incorporate additional requirements related to the project's location near Young Oak Kim Academy. The revised language is recommended as a part of the SCEA adoption.

F. Conclusion:

Staff recommends that, upon review of the entire administrative record, the PLUM Committee finds that the Proposed Project complies with the requirements of CEQA for use of a SCEA as authorized pursuant to Public Resources Code Section 21155.2(b), and further recommends for Council Action to adopt the project's Sustainable Communities Environmental Assessment (SCEA) (ENV-2018-3986-SCEA) and adopt the following findings:

1. The Proposed Project qualifies as a transit priority project pursuant to Public Resources Code Section 21155;

2. The Proposed Project incorporates all feasible mitigation measures, performance standards, or criteria set forth in the prior environmental reports, as amended herein, including the RTP/SCS Program Environmental Impact Report;
3. All potentially significant or significant effects required to be identified and analyzed pursuant to CEQA in an initial study have been identified and analyzed; and
4. With respect to each significant effect on the environment required to be identified in the initial study, changes or alterations have been required in or incorporated into the project that avoids or mitigates the significant effects to a level of insignificance.

Sincerely,

VINCENT P. BERTONI, AICP  
Director of Planning



Nicholas Hendricks  
Senior City Planner

NH:CS:WH

c: Craig Bullock, Planning Director, Council District No. 13