

MASTER APPEAL FORM

City of Los Angeles – Department of City Planning

ORIGINAL

APPEAL TO THE: CITY COUNCIL
(DIRECTOR, AREA PLANNING COMMISSION, CITY PLANNING COMMISSION, CITY COUNCIL)

REGARDING CASE #: CPC-2010-1554-DB-SPP ENV-2012-110-EIR

2.

PROJECT ADDRESS: 1600 – 1608 N. Serrano Ave.; 1601 – 1605 N. Hobart Blvd.

FINAL DATE TO APPEAL: June 18, 2015

- TYPE OF APPEAL:**
- 1. Appeal by Applicant
 - 2. Appeal by a person, other than the applicant, claiming to be aggrieved
 - 3. Appeal by applicant or aggrieved person from a determination made by the Department of Building and Safety

APPELLANT INFORMATION – Please print clearly

Name: Doug Haines

- Are you filing for yourself or on behalf of another party, organization or company?
 Self Other: The La Mirada Ave. Neighborhood Assn.

Address: P.O. Box 93596

Los Angeles, CA Zip: 90093-0596

Telephone: 310 281-7625 E-mail: _____

- Are you filing to support the original applicant's position?
 Yes No

REPRESENTATIVE INFORMATION

Name: Robert Silverstein, the Silverstein Law Firm

Address: 215 N. Marengo Ave.

Pasadena Zip: 91101-1504

Telephone: 626 449-4200 E-mail: _____

This application is to be used for any appeals authorized by the Los Angeles Municipal Code for discretionary actions administered by the Department of City Planning.

JUSTIFICATION/REASON FOR APPEALING – Please provide on separate sheet.

Are you appealing the entire decision or parts of it?

Entire

Part

Your justification/reason must state:

- The reasons for the appeal
- How you are aggrieved by the decision
- Specifically the points at issue
- Why you believe the decision-maker erred or abused their discretion

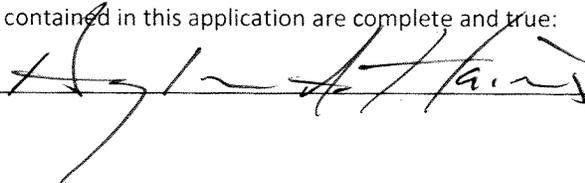
ADDITIONAL INFORMATION/REQUIREMENTS

- Eight (8) copies of the following documents are required (1 original and 7 duplicates):
 - Master Appeal Form
 - Justification/Reason for Appealing document
 - Original Determination Letter
- Original applicants must provide the original receipt required to calculate 85% filing fee.
- Original applicants must pay mailing fees to BTC and submit copy of receipt.
- Applicants filing per 12.26 K "Appeals from Building Department Determinations" are considered original applicants and must provide notice per 12.26 K 7.
- Appeals to the City Council from a determination on a Tentative Tract (TT or VTT) by the City (Area) Planning Commission must be filed within 10 days of the written determination of the Commission.
- A CEQA document can only be appealed if a non-elected decision-making body (i.e. ZA, APC, CPC, etc...) makes a determination for a project that is not further appealable.

"If a nonelected decision-making body of a local lead agency certifies an environmental impact report, approves a negative declaration or mitigated negative declaration, or determines that a project is not subject to this division, that certification, approval, or determination may be appealed to the agency's elected decision-making body, if any."
 --CA Public Resources Code § 21151 (c)

I certify that the statements contained in this application are complete and true:

Appellant Signature: _____



Date: _____

June 17, 2015

Planning Staff Use Only

Amount <u>106.85</u>	Reviewed and Accepted by <u>[Signature]</u>	Date <u>6/18/2015</u>
Receipt No. <u>24262</u>	Deemed Complete by _____	Date _____

Determination Authority Notified

Original Receipt and BTC Receipt (if original applicant)

June 17, 2015

Doug Haines
La Mirada Avenue Neighborhood Association of Hollywood
P.O. Box 93596
Los Angeles, CA 90093-0596

Los Angeles City Council
c/o City of Los Angeles Planning Department
Department's Public Offices, Figueroa Plaza
201 N. Figueroa St., 4th Floor
Los Angeles, CA 90012

RE: Case No.: CPC-2010-1554-DB-SPP;
CEQA No.: ENV-2012-110-EIR; SCH #2012031014
Project Location: 1601-1605 N. Hobart Blvd; 1600-1608 N. Serrano Ave.

Appeal of: City Planning Commission's May 14, 2015 approval of the Coronel Apartments Project Specific Plan Project Permit Compliance Review and Certification of the Environmental Impact Report /Statement of Overriding Considerations.

Chair Huizer and Honorable Planning and Land Use Management Committee members:

I. INTRODUCTION

On May 14, 2015, the Los Angeles City Planning Commission approved the Coronel Apartments project, a proposed 54-unit, affordable housing/density bonus development funded by both the former Community Redevelopment Agency (CRA/LA) and the Los Angeles City Council. Although the Coronel Apartments project was scheduled to be heard first on the Commission's busy May 14 calendar, the Planning Department privately decided the day prior to the hearing to instead hear it last (see **Exhibit 1**).

While proponents of the Coronel Apartments project were notified on May 13 of the Commission's reshuffled agenda, neighborhood council members and historic preservation experts opposed to the project were not informed of the change, either prior to the meeting or during it. It was therefore to no one's surprise that -- six hours after the meeting had begun when the item was finally called to order -- almost all of the project's opponents had been forced to leave the meeting in order to return to work.

As Oliver Wendell Holmes once said: "Men must turn square corners when they deal with the Government." The land use interests of nearby property owners and residents entitle them to a minimum floor of due process before the government may take action impacting their interests. *Today's Fresh Start, Inc. v Los Angeles County Office of Education* (2013) 57 Cal.4th 197, 212-214. Sadly, such was not the case at the City Planning Commission's May 14 hearing.

For those who waited the six hours to speak against the Coronel Apartments project, each was allotted just 60 seconds to testify. A Commission staff member utilizing an egg timer instead of a visible clock controlled speaker time. Testimony was cut off mid-sentence, with no allowance for additional time. By contrast, both Planning Department staff and the applicant's lobbying team were provided with all the time they requested in order to advocate for approval of the project, including rebuttal time. Project opponents were not.

This appeal concerns the City's pre-commitment to the Coronel Apartments project; the inadequacy of the City Planning Commission's findings to support its approval; the Planning Department's refusal to enforce (or even acknowledge) applicable restrictions of the project under the Hollywood Redevelopment Plan; and the City's violation of the California Environmental Quality Act (CEQA). Because the City Council has officially and repeatedly supported the project prior to public hearings and completion of CEQA review, the City Planning Commission's May 14 approval of the project was merely a post-hoc rationalization of a prior decision. Its approval must be overturned, and the project revised to conform to the law.

II. THE PROJECT VIOLATES THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

By Certifying the Coronel Apartments Environmental Impact Report, the City Planning Commission:

- 1) Failed to properly evaluate the project's adverse impacts on historic resources;
- 2) Failed to engage in a proper alternatives analysis by, *inter alia*, creating straw man alternatives, while accepting manipulated project objectives and contrived development criteria to ensure that various alternatives would either fail or not be addressed;
- 3) Failed to offer adequate responses to expert comments; and
- 4) Approved what amounts to an illegal, *post hoc* rationalization.

A. The City Has Pre-Committed to the Project

The proposed Coronel Apartments project is a partnership between applicant Hollywood Community Housing Corporation (HCHC) and the former Community Redevelopment Agency (CRA/LA). It consists of a 54-unit, 47,353 sq. ft., 45-foot-tall housing development with 56 parking spaces on a 32,540 sq. ft. lot located at 1600-1608 N. Serrano Ave. and 1601-1605 N. Hobart Blvd. (in the R3-1XL and [Q]R4-2 Zones). (The "Project").

The Project site currently contains 30 rent-controlled residential units across its three separate city parcels, and includes a 1920 Pueblo Revival style home known as the Ehrbar Residence. Located at 1601 N. Hobart Blvd. and designed by Master Architect Henry Harwood Hewitt, expert testimony submitted into the record has repeatedly identified this residence as eligible for listing in the National Register of Historic Places. HCHC, however, intends to demolish the property as part of the Project.

On June 17, 2010, the CRA/LA Board of Commissioners approved a permanent loan agreement with HCHC for \$5,027,000 in funding for the project. In October of that year, CRA/LA disbursed \$3,584,500 to HCHC to acquire the properties. Additional funds have since been released to cover HCHC's predevelopment expenses (See **Exhibit 2**).

In October of 2012, the Landmark California Development Corporation disbursed an additional \$600,000 to HCHC for the Coronel Apartments project (see **Exhibit 3**). This funding fulfilled a 2008 Condition of Approval requirement attached at the last minute as a City Council amendment for a project called the Camerford Lofts, an 85-unit mixed-use development located at Melrose Ave. and Larchmont Blvd. Landmark is the successor in interest to the project's original applicant, Watt Genton, Inc.

During the public hearing process for the Camerford Lofts, HCHC representatives frequently appeared and spoke in support of Watt Genton and its project, whose legal counsel sits on the HCHC Board of Directors.

On March 15, 2013, HCHC Housing Director Maura Johnson sent an email to Planning Department staff complaining that the Project was in "VERY REAL danger of losing this CRA funding." The email requested a hearing date for the Project, even though the Draft Environmental Impact Report had just been released. In her email, Ms. Johnson dismissed the Project EIR as "basically a NIMBY thing revolving around a house that the City (SurveyLA) determined was not historic." (See **Exhibit 4**).

In July of 2013, newly elected City Council District 13 representative Mitch O'Farrell assumed office. Almost immediately, the City Council approved the Millennium Hollywood project, adding a last minute amendment by O'Farrell directing \$400,000 to the Coronel Apartments project as a Condition of Approval. This amount was later increased to \$2.4 million, but not disbursed due to litigation challenging Millennium's approvals (see **Exhibit 5**).

On August 19, 2013 Councilman O'Farrell sent a letter to the General Manager of the Los Angeles Housing Department offering his "**strong support**" for HCHC "and the proposed Coronel Apartments development. **My staff and I will be working hand in hand with HCHC to make this project a reality.**" (See **Exhibit 6**). (Emphasis added).

On September 13, 2013, Councilman O'Farrell authored a City Council Motion further aiding HCHC and the Coronel Apartments:

"I THEREFORE MOVE that the Council instruct the General Manager of the Los Angeles Housing and Community Department to extend the initial term of the acquisition and predevelopment loan agreement for the Coronel Apartments for a period of two years, with an expiration date of September 29, 2015, and issue a letter to Hollywood Community Housing Corporation that serves as an extension to the loan agreement, thereby providing ample time for the project to receive its environmental clearance and apply for leverage financing prior to the start of construction." (See **Exhibit 7**).

Councilman O'Farrell's Motion was adopted by the full City Council on September 27.

On May 2, 2014, the City Council voted to redirect \$1.5 million to the Project from the City's Affordable Housing Trust Fund. The Motion by Councilman O'Farrell authorizing this transfer instructs the General Manager of the Housing and Community Investment Department to amend a loan agreement with the Camden mixed-use project currently under development in Hollywood (at Vine St. and Selma Ave.) The Motion states: "I therefore Move that the Council instruct the General Manager of the Los Angeles Housing and Community Investment Department to amend the loan agreement and transfer \$1.5 million from the Affordable Housing Trust Fund...to support the Coronel Apartments." (See **Exhibit 8**).

Yet in November of 2013, the Los Angeles Housing and Community Investment Department (LAHCID) had in fact refused to proceed with the processing of federal housing tax credits for the Project. The Housing Department halted further consideration of HCHC's application after the agency's required Section 106 environmental review "concluded that properties eligible for and listed in the National Register of Historic Places (NRHP) are located in the project APE (Area of Potential Effects)... We believe a strong argument can be made that 1601 N. Hobart Boulevard is NRHP eligible." (See **Exhibit 9**).

But following the May 2, 2014 Council Motion instructing the GM of the Housing Department to transfer the \$1.5 million to "support the Coronel Apartments," LAHCID sent a bogus July 16, 2014 letter to HCHC Housing Director Maura Johnson, stating: "an alternative project design that does not require Off Menu Incentives...(and)...would contain only 45 units and would cost approximately" \$6 million more than the Project, "would receive a 'high cost' designation by the California Tax Credit Allocation Committee and would not be recommended for an award." (Underlining in original). (See **Exhibit 10**).

The Housing Dept. then submitted an August 15, 2014 request to the City Council asking that it amend the CRA/LA Project loan agreement "to delete all references to a reduced loan amount at conversion to a permanent loan and that the amendment include the addition of the funds from the Camden Project as a funding source." By doing so, HCHC's loan amount was reduced by \$938,701. (See **Exhibit 11**). The City Council approved the O'Farrell Motion on August 29.

On January 30, 2015, HCHC Housing Director Maura Johnson emailed City Planning Lisa Webber asking that the Project's Hearing Officer and City Planning Commission hearings, scheduled for late April and early June, respectively, be moved up by a month:

"HCID has scheduled us to get tax credits in the second round of this year (July 1). Any further delays will increase our project costs (which are currently fully funded) and potentially harm the project. By July 1 when our tax credit application is due, all appeals to our entitlements must have run. Working backwards, that means that we will have had our Hearing Officer Hearing, our CPC meeting, had all of the appeals filed, gone to PLUM (Housing) and then City Council in time to allow our application to go in on July 1." (See **Exhibit 12**).

On February 5, 2015, Council District 13 Planning Deputy Gary Benjamin emailed City Planner Webber: “Thank you for help on Coronel scheduling! I just got off the phone with Maura Johnson from Hollywood Community Housing Corporation and she was excited to get her CPC dates. According to her, they (sic) May 14 date will enable them to get everything wrapped up in time to keep the project on schedule. Thank you for your help!” (See **Exhibit 13**).

On March 27, 2015, the Project’s Hearing Officer hearing was conducted; on May 5 the Planning Department’s Recommendation Report to fully support the Project was released, and on May 14 the City Planning Commission – with almost no discussion -- unanimously approved the Project and certified the EIR.

The City pre-committed itself to the Project, in violation of CEQA. “A fundamental purpose of an EIR is to provide decisionmakers with information they can use in deciding *whether* to approve a proposed project, not to inform them of the environmental effects of projects that they have already approved. If post-approval environmental review were allowed, EIRs would likely become nothing more than post hoc rationalizations to support action already taken.” *Laurel Heights Improvement Associatin v. Regents of University of California* (1988) 47 Cal.3d 376.

See *Save Tara v. City of West Hollywood* (2008) 45 Cal.4th 116, 128-130, 136. “When an agency has not only expressed its inclination to favor a project, but has increased the political stakes by publicly defending it over objections, putting its official weight behind it, devoting substantial public resources to it...the agency will not be easily deterred from taking whatever steps remain toward the project’s final approval.”

Contrary to the repeated admonitions of our high court, the Project EIR’s lack of a preservation alternative that would retain the Ehrbar Residence within the development simply served to support decisions the City had previously made in support of the Project. These improper post hoc rationalizations are clear from the City’s refusal to let environmental considerations brought forth in the EIR review process “influence project, program or design.” *Laurel Heights I, supra*, 47 Cal.3d at 395.

In 2011, the Project’s Mitigated Negative Declaration was deemed insufficient in response to expert testimony regarding the cultural significance of the Ehrbar Residence. Yet the City produced a Draft EIR that lacked a preservation alternative. Of course, no preservation alternative means the Project as proposed is a foregone conclusion.

In part because of the lack of any meaningful alternatives analysis, the Draft EIR and the Final EIR that followed were so defective that re-circulation was required after the community provided its own scenarios to preserve the Ehrbar Residence, even though it was the City’s responsibility “to provide an adequate discussion of alternatives.” *Laurel Heights I, supra*, 47 Cal.3d at 405. The City, however, refused to recirculate the EIR with a preservation alternative.

The Draft EIR purported to analyze Project alternatives, but did so in a manner that rationalized what HCHC and the City wanted to build. This “subverted” the alternatives analysis and “‘full consideration of the actual environmental impacts,’ a result at direct odds with CEQA’s intent.” *Sunnyvale West Neighborhood Assn. v. City of Sunnyvale City Council* (2010) 190 Cal.App.4th 1351, 1374.

If there is a case emblematic of an agency’s “reduc[ing] CEQA to a process whose result will be largely to generate paper,” or “produc[ing] an EIR that describes a journey whose destination is already predetermined” *Natural Resources Defense Council v. City of Los Angeles* (2002) 103 Cal.App.4th 268, 271, this is it.

B. The City Abused its Discretion By Disregarding Fundamental CEQA Requirements for Alternatives Review, and as a CRA/LA Funded Project, the EIR Was Required to Include a Preservation Alternative

“The purpose of an EIR is to give the public and government agencies the information needed to make informed decisions, thus protecting ‘not only the environment but also informed self-government.’ “ *In re Bay-Delta Programmatic Environmental Impact Report Coordinated Proceedings* (2008) 43 Cal.4th 1143. “Mitigation and alternatives discussion forms the core of the EIR.” *Id.*

“An EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects...” Guidelines § 15126.6(a). The fact that alternatives “would impede to some degree the attainment of the project objectives, or would be more costly” does not excuse compliance with these requirements. *Save Round Valley Alliance v. County of Inyo* (2007) 157 Cal.App.4th 1437.

“An agency cannot restrict its analysis to those ‘alternative means by which a particular applicant can reach *his* goals.’ [Citation.]” *Simmons v. U.S. Army Corps of Engineers* (7th Cir. 1997) 120 F.3d 664, 669 (emphasis in original); see *id.* at 666 (an agency may not “slip past the strictures of [NEPA]” by “contriv[ing] a [project] purpose so slender as to define competing ‘reasonable alternatives’ out of consideration (and even out of existence)”).

As stated by the California Supreme Court:

“The EIR is the primary means of achieving the Legislature’s considered declaration that it is the policy of this state to ‘take all action necessary to protect, rehabilitate, and enhance the environmental quality of the state.’ [Citation.] The EIR is therefore ‘the heart of CEQA.’ [Citations.] An EIR is an “environmental ‘alarm bell’ whose purpose it is to alert the public and its responsible officials to environmental changes before they have reached ecological points of no return.” [Citations.] The EIR is also intended ‘to demonstrate to an apprehensive citizenry that the agency has, in fact, analyzed and considered the ecological implications of its action.’ [Citations.] Because the EIR must be certified or rejected by public officials, it is a document of accountability... The EIR process protects not only the environment but also informed self-government.” *Laurel Heights I, supra*, at 376, 392; also Public Resources Code §§ 21061, 21100.

Significantly, with public projects, environmental review must precede the agency's commitment to a definite course of action in regard to the project, as environmental information is supposed to "practically serve as an input into the decision making process." *Save Tara, supra*, at 129-130.

"A prejudicial abuse of discretion occurs if the failure to include relevant information precludes informed decisionmaking and informed public participation, thereby thwarting the statutory goals of the EIR process." *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 712. The need to be alert for lack of CEQA compliance is especially strong where the agency is a project proponent. *Deltakeeper v. Oakdale Irrigation Dist.* (2001) 94 Cal.3d 553, 564.

The City's acceptance of the Project EIR's lack of a preservation alternative thwarts core CEQA policy "that public agencies should not approve projects as proposed if there are feasible alternatives...available which would substantially lessen the significant environmental effects of such projects." § 21002. Nor does the Project EIR's exclusion of a reasonable range of alternatives comport with the Legislature's express intent that CEQA procedures "assist public agencies in systematically identifying...the feasible alternatives...which will avoid or substantially lessen [the] significant effects [of proposed projects]." *Id.*

"A lead agency is required to recirculate an EIR when...a feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the environmental impacts of the project, but the project proponents decline to adopt it." Guidelines § 15088.5(a)(3).

As a development financed with public funds through the CRA/LA, the proposed Coronel Apartments project is required under Section 511 of the Hollywood Redevelopment Plan to preserve structures of historical significance. Section 300.00 of the Plan also requires that CRA/LA financed projects "recognize, promote and support the retention, restoration and appropriate reuse of existing buildings, groupings of buildings and other physical features...having significant historic and/or architectural value." (See **Exhibit 14**). With the dissolution of the CRA, the Planning Department is responsible for enforcing these provisions, yet no reference was made to this requirement in the EIR, and no preservation alternative was included.

In 2008, per the requirements of the Redevelopment Plan, the City and CRA required the preservation of the façade of the Old Spaghetti Factory (OSF) Restaurant building at 5929 Sunset Blvd. when that site was redeveloped as the Sunset Gordon Apartments. The City conditioned its approval of the project's entitlements on the façade's retention despite the OSF building being deemed of no historic significance in the Sunset Gordon EIR. As stated by the City in court papers filed in response to litigation over the project's approval:

"The lack of landmark designation is irrelevant...The CRA required Sunset to retain and incorporate portions of this vintage building into the Project to fulfill Hollywood Redevelopment Plan policies that recognize, promote and support the retention, restoration and appropriate reuse of existing buildings having significant architectural value." (See **Exhibit 15**).

Like the Sunset Gordon EIR, the Coronel Apartments EIR concluded that the Project site contains no significant historic resources. Unlike the Sunset Gordon EIR, however, the Coronel Apartment's EIR's conclusion of no historic, cultural or architectural significance to the Ehrbar Residence is bogus. This conclusion, however, was subsequently employed as a ruse to justify HCHC's refusal to retain the Ehrbar Residence and incorporate it within the Project.

Yet retention of the OSF building was a required condition of approval for Sunset Gordon's entitlements.

The City cannot "deceive courts, argue out of both sides of its mouth, fabricate facts and rules of law, or seek affirmatively to obscure the relevant issues and considerations behind a smokescreen of self-contradictions and opportunistic flip-flops." Ferrarov. Camarlinghi (2008) 161 Cal.App.4th 509, 558.

Reasonable alternatives must be considered "even if they substantially impede the project or are more costly." *San Bernardino Valley Audubon Society v. County of San Bernardino* (1984) 155 Cal.App.3d 738, 750; Guideline § 15126(d)(1).

An EIR must consider a "range of reasonable alternatives." *Citizens of Goleta Valley v. Board of Supervisors* (Goleta II) (1990) 52 Cal.3d 553; Guideline § 15126.6(c). An EIR must include sufficient information about each alternative "to allow meaningful evaluation, analysis and comparison with the proposed project." Guideline § 15126.6(d).

Each alternative "must be described in sufficient detail to permit comparison with the proposed project. The key issue is whether the selection and discussion of alternatives fosters informed decision-making and informed public participation." *Laurel Heights I* (1988) 47 Cal.3d 376, 404.

Since the Project EIR failed to include a preservation alternative in violation of both CEQA and the requirements of the Hollywood Redevelopment Plan, it has not considered a reasonable range of alternatives to the Project and its certification was an abuse of discretion on the part of the Commission.

C. The Statement of Overriding Considerations Presents a False Justification for the Project

A lead agency cannot approve a project with significant environmental impacts unless mitigation measures or alternatives are infeasible **and** overriding considerations exist which allow approval of the project. Guidelines § 21081.

However, a lead agency cannot merely adopt a statement of overriding considerations and approve a project with significant impacts. It must first adopt feasible alternatives and mitigation measures. *Friends of Sierra Madre v. City of Sierra Madre* (2001) 25 Cal.4th 165, 185. "CEQA does not authorize an agency to proceed with a project that will have significant, unmitigated effects on the environment, based simply on a weighing of those effects against the project's benefits, unless the measures necessary to mitigate those effects are truly infeasible." *City of Marina v. Board of Trustees of the California State University* (2006) 39 Cal.4th 341.

A lead agency's CEQA findings must be supported by substantial evidence. (Guidelines § 21081.5). As explained by the California Supreme Court, "The requirement [for findings] ensures there is evidence of the public agency's actual consideration of alternatives and mitigation measures, and reveals to citizens the analytical process by which the public agency arrived at its decision." *Mountain Lion Foundation v. Fish & Game Commission* (1997) 16 Cal.4th 105, 134.

Increased costs of an environmentally superior alternative do not equate to economic infeasibility: "The fact that an alternative may be more expensive or less profitable is not sufficient to show that the alternative is financially infeasible. What is required is evidence that the additional costs or lost profitability are sufficiently severe as to render it impractical to proceed with the project." *Citizens of Goleta Valley v. Board of Supervisors* (Goleta 1) (1988) 197 Cal.App.3d 1167, 1181.

The City Planning Commission's decision to adopt the Statement of Overriding Considerations fails this test. Instead, the Statement lists benefits it claims would be accomplished by approving the proposed Project, such as jobs, economic growth and site revitalization, which in fact would also be achieved if the Project retained the Ehrbar House, or even if all existing buildings on the site were simply rehabilitated.

Alternatives to the approved Project that would achieve its same economic goals without significant impacts to Aesthetics, Cultural Resources and Parking are improperly rejected in the EIR and Statement of Overriding Considerations as "infeasible," without substantial evidence to support this claim.

The Determination Letter states that the benefits of the Project supporting the Statement of Overriding Considerations include: "sustainable design," "fighting global climate change," "provide enhanced landscaping," "provide 'healthy cooking' classes," and "additional affordable housing." None of these claims, however, qualify as substantial evidence that alternatives to the Project are infeasible in order to mitigate its significant impacts. Cooking classes and additional shade trees can be provided within a Code-compliant development.

None of this was even considered by the members of the City Planning Commission at its May 14, 2015 hearing. Instead, the Commission quickly moved to approve the Project following the close of public comment.

The Statement of Overriding Considerations is a false justification for a project that would:

- Eliminate 30 units of Rent Stabilization Ordinance housing, currently rented at below-market rates, that will not lose their affordability for long-term, remaining tenants;
- Force out long-term tenants whose income may rise in the future;
- Cost taxpayers \$480,000 per unit, including land acquisition costs, or double the cost of rehabilitating the existing units.

- Demolish the Ehrbar Residence, deemed by numerous preservation organizations and independent experts as eligible to be listed on the National Register of Historic Places;
- Create significant Aesthetic impacts to the surrounding streetscape;
- Have reduced Open Space;
- Have windows facing windows, in violation of the requirements of the Specific Plan
- Attain a building height of 53 feet, including areas of zero rooftop setback, or 25 feet taller than permitted under the transitional height restrictions of the Specific Plan;
- Provide insufficient parking for the additional units, many of which are two and three bedrooms, creating significant impacts to this parking congested area.

III. The Project Does Not Comply with the Applicable Regulations, Findings, Standards and Provisions of the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP)

A. The Applicant Has Not in Any Manner Satisfied the Rigorous Findings Required to Receive Any Exception From SNAP

Applicant HCHC initially requested the following Project entitlements, which were reviewed in the Draft EIR and commented upon in the Final EIR:

- Two Off-Menu Incentives under Los Angeles Municipal Code (LAMC) Section 12.22.A.25(g)(3) to permit a 45-foot-tall building in lieu of the 30-foot height allowed in the 1XL zone, and a 45-foot-tall building in lieu of the 27-foot-tall building transitional height otherwise permitted by Section 7.D of the Vermont/Western Transit Oriented District Specific Plan (Specific Plan);
- An exception from Section 7.A of the Specific Plan to allow more than two lots to be tied together for a total area of 32,541 sq. ft. in lot area in lieu of the maximum 15,000 sq. ft. of lot area otherwise permitted to form a single building site;
- An exception from Section 7.I of the Specific Plan and Section 4.3 of the Specific Plan Development Standards to allow a portion of the required open space to be 15 feet in dimension in lieu of the required minimum 20 feet;
- An exception from Section 7.I of the Specific Plan and Section 4.14 of the Development Standards to allow windows in the project to face windows across property lines or to face private outdoor space of other residential units;

- One affordable housing menu incentive under LAMC Section 12.22.A.25(f)(8) to average density, open space and parking over the entire property, and to permit vehicular access from a less restrictive zone to a more restrictive zone. The applicant is also utilizing the provisions of California Senate Bill SB1818 for a 35% density bonus, and Parking Option 2 to allow 1 parking space per affordable unit (in lieu of the Specific Plan minimum standard under Section 7G of one parking space per dwelling unit having less than 3 habitable rooms and 1.5 parking spaces per unit of 3 habitable rooms or more, plus .25 guest parking spaces per unit);
- Approval of a Zoning Administrator's Adjustment from Section 12.21.C.5(h) of the LAMC to allow an accessory use located in the more restrictive R3 Zone to serve a main residential use in the less restrictive [Q]R4-2 Zone.

On October 31, 2013, 2 1/2 months after completion of the Project's Final Environmental Impact Report, and over six months after public comment was due on the Draft EIR, HCHC submitted to the Planning Department a new Master Land Use Permit Application. This new application changed HCHC's discretionary entitlement requests to one "On Menu" Density Bonus incentive and six "Off Menu" incentives, by-passing the rigorous standard of review required for exceptions to the Specific Plan. Despite this significant change in entitlement requests, and the release of two erratas related to historic resources, the Planning Department has refused to re-circulate the Project's EIR for public comment.

California law requires that an exception from a zoning ordinance must show that the applicant would suffer practical difficulties and unnecessary hardships in the absence of the variance, that these hardships result from special circumstances relating to the property that are not shared by other properties in the area, and that the exception is necessary to bring the applicant into parity with other property owners in the same zone and vicinity. Specific findings for granting a variance from the Zoning Code are required under Section 65906 of the California Government Code, which states:

"Variances from the terms of the zoning ordinances shall be granted only when, because of special circumstances applicable to the property, including size, shape, topography, location or surroundings, the strict application of the zoning ordinance deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classifications.

"Any variance granted shall be subject to such conditions as will assure that the adjustment thereby authorized shall not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which such property is situated."

Section 11.5.7.F.1(a) of the LA Municipal Code further defines this rigid standard:

"An exception from a specific plan shall not be used to grant a special privilege, nor to grant relief from self-imposed hardships."

As stated in McQuillin: The Law of Municipal Corporations, a leading treatise cited for a related point by the Supreme Court in Broadway, Laguna, supra, 66 Cal.2d at 775:

“The concept might be better understood, however, by examining what ‘practical difficulty’ or ‘unnecessary hardship’ is not. It is not mere hardship, inconvenience, interference with convenience or economic advantage, disappointment in learning that land is not available for business uses, financial or pecuniary hardship or disadvantage, loss of prospective profits, prevention of an increase of profits, or prohibition of the most profitable use of property...

“In order for a landowner to be entitled to a hardship variance, the hardship must originate from circumstances beyond the control of the landowner and be of a type that does not generally affect other properties in the district. If the landowner can control the circumstances causing the hardship, then the granting of a variance is improper. No undue hardship is shown where the landowner could accomplish the same objective without a variance **by changing his or her plans so that they conform to the existing zoning requirements.**” (8 McQuillin Mun.Corp. § 25:179.37, 3rd ed. 2010). (Emphasis added).

Section 11.5.7.F.2 of the Los Angeles Municipal Code defines these standards, requiring that a Specific Plan exception be supported by written findings of **all** of the following:

- a) That strict application of the regulations of the specific plan would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the specific plan;
- b) That there are exceptional circumstances or conditions applicable to the subject property involved or to the intended use or development of the subject property that do not apply generally to other property in the specific plan area;
- c) That an exception from the specific plan is necessary for the preservation and enjoyment of a substantial property right or use generally possessed by other property within the specific plan area in the same zone and vicinity but which, because of special circumstances and practical difficulties or unnecessary hardships is denied to the property in question;
- d) That the granting of an exception will not be materially detrimental to the public welfare or injurious to the property or improvements adjacent to or in the vicinity of the subject property;
- e) That the granting of an exception will be consistent with the principles, intent and goals of the specific plan and any applicable element of the general plan.

Government Code § 65915(d)(1)(c) states that the City shall grant an incentive for an affordable housing development unless the City makes a finding that, among other reasons, “the concession or incentive would be contrary to state or federal law.”

As noted above, Govt. Code § 65906 requires that a variance be granted: “only when, because of special circumstances applicable to the property, including size, shape, topography, location or surroundings, the strict application of the zoning ordinance deprives such property of privileges enjoyed by other property in the vicinity and under identical zoning classifications.”

The City’s Project Permit Compliance Review ignores the Project’s non-compliance with SNAP, merely stating repeatedly in each finding: “With the approval of the off-menu incentive from the City Planning Commission...the Serrano site complies with...the Specific Plan.” Such “findings” conflict with State law.

Off-menu requests are judged solely on an economic analysis provided by the applicant, with no independent City review. In the case of the Project, applicant HCHC hired its own consultant, the Sotelo Group, to conduct an “independent” review of its cost comparison of the proposed Project versus a bogus, by-right alternative of 9 fewer units that was priced over \$6 million more to construct. The City’s Project Permit Compliance Review therefore has no standard of review, and should be rejected as a violation of State and City requirements.

All of HCHC’s exceptions from SNAP are in fact based entirely on seeking special privileges or applying self-imposed hardships. None of the Findings in the Determination Letter have merit or meet the strict requirements for an exception as defined in Section 11.5.7.F.2 of the Los Angeles Municipal Code and §65906 of the California Government Code.

Crucially, the City’s approvals disregard the core values underpinning our zoning system. As the California Supreme Court held in *Topanga Assn. for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, a zoning scheme is a contract in which “each party foregoes rights to use its land as it wishes in return for the assurance that the use of neighboring property will be similarly restricted, the rationale being that such mutual restriction can enhance total community welfare.” (Id. at 517).

These principles led the Supreme Court to hold that “self-imposed burdens cannot legally justify the granting of a variance.” *Broadway, Laguna, Vallejo Assn. v. Board of Permit Appeals of City and County of San Francisco* (1967) 66 Cal.2d at 774, 778. This concept is especially applicable when the Project is 100% taxpayer funded, and therefore places the applicant at no personal financial risk.

IV. Appellate Rights

Los Angeles Municipal Code (LAMC) Section 12.22.A.25(g)(2)(i)(f) states:

“EXCEPTION: When the application is filed as part of a project requiring multiple approvals, the appeals procedure set forth in Section 12.36 of this Code shall govern.”

LAMC Section 12.36.A, "Projects requiring multiple approvals. (Charter § 564)" states:

"Quasi-judicial Approval. Any approval for which the initial decision becomes final unless appealed, such as those as set forth in Sections **11.5.7C.-F.**, H., 12.20.2, 12.20.2.1, 12.20.3 I.-L., 12.21 A.2., 12.21 G.3., **12.22.A.25.**, 12.24, 12.24.1, 12.26 K., 12.27, 12.28, 12.30 H., 12.30 J., 12.32 H, 13.08 E., 14.00 B., 15.05, 16.50, and Article 8 of this Code." (Emphasis added).

LAMC Section 12.36.C, "Decision-makers" states:

"Notwithstanding any provision of this Code to the contrary, the following shall apply for projects requiring multiple approvals.

"1. City Planning Commission. If a project requires any approval or recommendation separately decided by an Area Planning Commission, the Zoning Administrator, and/or the Director, as the initial decision-maker, and also requires any approval or recommendation by the City Planning Commission as the initial decision-maker, then the City Planning Commission shall have initial decision-making authority for all of the approvals and/or recommendations.

(b) Appellate Body. The City Council shall decide all appeals of the City Planning Commission's decision or recommendations as the initial decision-maker on projects requiring multiple approvals.

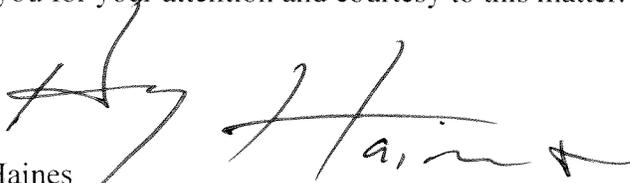
V. CONCLUSION

The Project's EIR characterizes many environmental effects that will be caused by the Project as "insignificant," "less than significant impact," or "no impact," such that few or no serious mitigation measures are allegedly necessary. Many such determinations in the EIR are unsupported by facts, or premised on inadequate facts, or utterly lacking of any true analysis of the facts, or consisting of a superficial "analysis" which for the most part simply assumes its conclusion.

Given the EIR's shortcomings, and the irreversible momentum associated with the Project, the City's certification of the environmental document and approval of the Project are an affront to the integrity of the decisionmaking process required by CEQA. We respectfully request that the Commission's approvals be vacated, and proper CEQA analysis be conducted.

We reserve the right to present further objections regarding the Project at a future date.

Thank you for your attention and courtesy to this matter.



Doug Haines
For the La Mirada Avenue Neighborhood Association

Exhibit 1



Blake Lamb <blake.lamb@lacity.org>

Coronel has been moved to last on agenda

1 message

Blake Lamb <blake.lamb@lacity.org>

Wed, May 13, 2015 at 11:03 AM

To: Christopher Murray <chris@raa-inc.com>

Cc: Shana Bonstin <shana.bonstin@lacity.org>, Dan Scott <dan.scott@lacity.org>

Hi Chris,

Coronel has been moved to last on the agenda because Commissioner Ambroz needs to recuse himself from the case.

Blake

—

Blake E. Lamb

City Planner

Plan Implementation Division

Neighborhood Projects, Central Section

Los Angeles Department of City Planning

200 N. Spring Street, Room 621

Los Angeles, CA 90012

(213) 978-1167

* Your first stop for most City Planning questions regarding your property will usually begin at the Development Service Center (DSC). Click the following link for DSC contact information:
<http://www.planning.lacity.org/PublicCounter.html>

In addition, two City Planning Department on-line systems can provide a variety of information – Zoning Information and Map Access Systems (ZIMAS) and Planning Case Tracking System (PCTS). ZIMAS provides a property's zoning designation, potential hazard zones, County Assessor's data, and economic development incentives among other information. It can be accessed at zimas.lacity.org. PCTS provides a summary of information regarding cases that were submitted to the Planning Department and can be accessed at http://planning.lacity.org/cts_internet/

Exhibit 2

6

MEMORANDUM

DATE: JUNE 17, 2010 HW1990
EB1990

TO: CRA/LA BOARD OF COMMISSIONERS

FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER

RESPONSIBLE PARTIES: LESLIE LAMBERT, REGIONAL ADMINISTRATOR
NEELURA BELL, PROJECT MANAGER

SUBJECT: LOAN AGREEMENT WITH HOLLYWOOD COMMUNITY HOUSING CORPORATION FOR UP TO \$5,027,000 FOR ACQUISITION AND PREDEVELOPMENT ACTIVITIES RELATING TO 1601 NORTH HOBART AVENUE AND 1600-1608 NORTH SERRANO AVENUE IN THE EAST HOLLYWOOD/BEVERLY-NORMANDIE DISASTER ASSISTANCE AND HOLLYWOOD REDEVELOPMENT PROJECT AREAS
HOLLYWOOD AND CENTRAL REGION (CD 13)

COMMITTEE REVIEW: APPROVED BY THE LOAN COMMITTEE ON MAY 12, 2010

RECOMMENDATIONS

That the CRA/LA Board of Commissioners, subject to City Council review and approval:

1. Authorize the Chief Executive Officer or designee to execute a loan agreement with Hollywood Community Housing Corporation to loan up to \$5,027,000 for acquisition and predevelopment costs related to a potential affordable housing development at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue and to take necessary action to carry out the loan agreement; and

That the CRA/LA Board of Commissioners:

2. Approve and adopt a Relocation Plan for the potential project; and
3. Approve and adopt by resolution a Replacement Housing Plan for the potential project.

SUMMARY

The recommended action will provide an acquisition and predevelopment loan ("the Loan") in the amount of \$5,027,000 to Hollywood Community Housing Corporation (the "Borrower") to assemble two properties located at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue in connection with a potential affordable housing development consisting of approximately 54 units ("Project"). The Project site straddles and is within both the East

Hollywood/Beverly-Normandie Disaster Assistance Project Area and the Hollywood Redevelopment Project Area. Each of the redevelopment project areas will contribute a pro rata share of the loan based on the percentage of the total 32,504 square footage which is located in each area. The Hobart property, located in East Hollywood is 15,504 square feet comprising 46%, and the Serrano property, located in Hollywood is 17,500 square feet or 54%. Funding from the East Hollywood Disaster Assistance Project Area Budget will total \$2,312,420 including \$1,747,000 of project area Low and Moderate Income Housing Funds and \$565,420 from Taxable Bond Proceeds. Funding from the Hollywood Redevelopment Project Area will include \$2,714,580 of project area Low and Moderate Income Housing funds.

Acquisition costs total \$3,584,500 including a purchase price of \$3,485,000 and holding, legal, closing and title expenses of \$99,500. The \$1,442,500 balance of the loan will be used for predevelopment expenses, including \$400,000 in relocation expenses. The CRA/LA loan will be secured by a First Deed of Trust against the entire Project site.

Prior to the maturity of the CRA/LA acquisition loan in two years (subject to an extension by the CRA/LA CEO of up to one additional year), CRA/LA staff anticipates returning to the Board of Commissioners for approval of the final project, including without limitation: (a) conversion to a permanent loan; (b) authority to enter into an implementation agreement that would confirm the permanent loan conversion and update project specifics such as details of the scope of development and affordability covenants; and (c) authorization to provide subordination to Senior Lenders. In order for a Loan Conversion to be considered by the Board, the Developer must submit the final scope of the Project and staff's recommendation will be accompanied by the appropriate environmental impact analysis. Approval to grant the Loan Conversion will be within the sole discretion of the Board of Commissioners and may include the imposition of additional conditions in its sole discretion.

RE

Initial Action

SOURCE OF FUNDS

East Hollywood/Beverly Normandie Low and Moderate Income Housing Funds
East Hollywood/Beverly Normandie Taxable Bond Proceeds
Hollywood Low and Moderate Income Housing funds

PROGRAM AND BUDGET IMPACT

The proposed action is consistent with the FY10 Budget and Work Program relating to the East Hollywood/Beverly-Normandie and Hollywood Redevelopment Project Areas. The approved FY10 Budget for Housing includes \$6,897,000 and \$23,972,800 for the East Hollywood/Beverly-Normandie and Hollywood Redevelopment Project Areas respectively. With the approval of this action, \$2,845,420 or 41% of the East Hollywood/Beverly-Normandie and \$9,820,448 or 41% of the Hollywood Redevelopment housing budget will be committed to housing projects. Sufficient funds are available to make any legally required State ERAF payments. There is no impact on the City's General Fund.

ENVIRONMENTAL REVIEW

The acquisition and predevelopment loan is statutorily exempt from the provision of the California Environmental Quality Act (CEQA) pursuant to paragraph 15262 of the State CEQA Guidelines. Upon completion of the feasibility analysis, and at the time of the anticipated request to convert the predevelopment loan to a permanent loan, the appropriate CEQA document for that proposal will be brought to the CRA/LA Board for consideration.

BACKGROUND

The ultimate borrower for the CRA/LA loan will be a yet-to-be-formed California limited partnership. The limited partnership will be a single-asset entity whose sole purpose is the development and operation of the Coronel Apartments.

The sole general partner of the Borrower will be Hollywood Community Housing Corporation (HCHC), a California nonprofit corporation. HCHC was formed in 1989 for the purpose of preserving and expanding the supply of affordable housing for lower income households in the Hollywood area. It is now a very highly regarded developer and operator of affordable rental housing. In its 21-year operating history, HCHC has developed 23 buildings that serve 717 households. Over the years, HCHC has received numerous awards for the quality of its developments as well as for the outstanding support that it provides to its residents.

Over its 21-year operating history, HCHC has received CRA/LA financial support for numerous projects. All of those projects have been satisfactorily completed and are operating as agreed. Most recently, CRA/LA loaned an HCHC-controlled entity \$7.5 million for the rehabilitation of the Hollywood Bungalow Courts. HCHC recently completed construction on the 42-unit, scattered-site development and it is now fully leased.

Site Description

The properties comprising the project are situated back-to-back and are located right on the boundary between the Hollywood and East Hollywood/Beverly-Normandie Project Areas. The Serrano property is in Hollywood and the Hobart property is in East Hollywood/Beverly-Normandie. (Attachment "A", Site Map). The project site is L-shaped consisting of 3 contiguous parcels totaling 32,000 square feet. Parcel 1 located at 1600-1606 North Serrano Avenue has three structures with a total of four units, including a two story duplex, and two studio bungalows. Parcel 2 located at 1608 North Serrano Avenue is a two-story eleven unit building. Parcel 3 located at 1601 North Hobart Boulevard has two, two story buildings with 12 legal apartments and one illegal unit. Currently, 6 of the total 30 units are vacant.

Current zoning on the two sites is medium- and high-density residential (R3 and R4). The property is also located within the Vermont/Western Transit Oriented District Specific Plan/Station Neighborhood Area Plan (SNAP), and is within one-quarter mile of a Metro Red Line Station.

HCHC is proposing to acquire the properties and pursue the possible development of the site into improved quality housing. Currently, there are 30 units on the site. Units in the North Serrano property have been in the City of Los Angeles' Rental Escrow Account Program since 2005, and the North Hobart property has been cited by the County Department of Health for 18 violations. Additionally, many of the residents are currently residing in overcrowded conditions with as many as between four and seven residents occupying the mostly 1-bedroom units.

Property Appraisal

The proposed combined purchase price \$3,485,000 is consistent with the appraised value of the project parcels.

Proposed Project

By right, at least 47 units can be developed on the site. However, the Borrower is pursuing the feasibility of securing a density bonus and some entitlement exceptions that would allow for the potential development of up to 54 units.

Affordability Requirements

After the final determination of the most feasible option and the completion of an environmental document pursuant to CEQA, additional Board actions will be sought to approve the scope of the project and the inclusionary and proportionality analysis, and convert the predevelopment loan to a construction loan. The analysis below is based on the proposed maximum number of 54 units and the Borrower's preliminary unit mix.

The CRA/LA Housing Policy requires that a minimum of 30% of units developed be Very Low, and that at most 30% are Moderate Income. Attachment C illustrates that the proposed unit mix would meet the policy requirements.

Inclusionary Housing Analysis

The CRA/LA is required to comply with the inclusionary housing obligation imposed by Section 33413(b) of the California Community Redevelopment Law that requires 15% of all housing developed in a Project Area be low- and moderate-income housing subject to long term income and affordability covenants, of which 40% must be affordable to persons and families of very low-income. Based on the preliminary proposed unit mix shown in Attachment C, CRA/LA would be credited with 6 Extremely Low Units, 35 Very Low-Income Units, and 12 Low-Income Units. Currently, the Inclusionary Housing Obligations have been exceeded in both the East Hollywood/Beverly-Normandie and Hollywood Redevelopment Project Areas, and staff anticipates that the obligation will be satisfied and exceeded during the respective Implementation Plan periods for both areas. Attachment C shows that in East Hollywood, the obligation to produce a total of 34 low and moderate units has been exceeded by 119 and the Very Low obligation of 13 has been exceeded by 120. It shows that in Hollywood, the obligation to produce a total 376 low and moderate units has been exceeded by 263 and the Very Low obligation of 150 units has been exceeded by 273.

Proportionality Housing Analysis

Pursuant to the proportionality requirements of the California Community Redevelopment Law regarding the use of Low and Moderate Income Housing Funds (LMIHF), combined expenditures during the implementation plan must allocated funds based on the following requirements: (1) At least 45% to the Very Low Income category, (2) At least 26% to the Low Income category, (3) At most 29% to the Moderate Income Category, and (4) No more than 20% restricted to seniors. With the proposed expenditure and potential unit mix, Attachment C shows that in East Hollywood, the cumulative expenditure for Very-Low Income would be 70%, exceeding the 45% minimum, Low Income Housing would be 23% and slightly lower than the 26% minimum (however, the Very-Low Income can count in this category as well), and the

Moderate would be 6% significantly under the maximum allowable expenditure of 30%. Attachment C shows that in Hollywood, the cumulative expenditure for Very-Low Income would be 67%, exceeding the 42% minimum, Low Income Housing would be 31%, and slightly over the 26% minimum and Moderate would be 2% significantly under the maximum allowable expenditure of 30%.

Financing

This request for CRA/LA to provide \$5,027,000 is for 100% of the Acquisition and Predevelopment costs. It will be secured in part by a First Deed of Trust on the Hobart and Serrano properties. The loan-to-value will be 144%. The predevelopment expenses will be secured by assignment of rights of the architectural drawings and other work product to CRA/LA. The term of the Acquisition and Predevelopment loan will be for twenty-four (24) months from the date of the Note (subject to a one-year extension) with an annual interest rate of 3%.

Based on the Borrower's pro forma dated April 22, 2010, the total development cost for the proposed 54 maximum unit project is \$23,694,039 or \$438,778 a unit. The borrower has a successful track record of securing construction and permanent financing for similar projects. Other funding sources for which the Borrower intends to apply for include a Conventional First Mortgage, LAHD gap financing, equity financing from tax credit proceeds and an Affordable Housing Program grant.

Relocation and Replacement Plans

In anticipation of needing to displace the current tenants a Relocation Plan (Attachment D) was published on May 3, 2010 and copies were made available for public viewing at the CRA/LA Hollywood and Central offices, the Hollywood Branch of the public library and the East Hollywood Neighborhood Council. On May 24th, a presentation was made to the full council of the East Hollywood Neighborhood Council. Additionally, each of the current tenants was apprised of the availability of the document. The Replacement Housing Plan (Attachment E) was published on May 4, 2010, posted on the CRA/LA website.

Authority Granted to CEO or Designee

If the Loan Agreement is approved, the CRA/LA Chief Executive Officer or designee would be authorized to take such action as may be necessary to carry out the Agreement, including but not limited to, executing the CRA/LA Loan Documents and taking the following actions: (1) extending the Initial Term of the Loan by up to one additional year for a total not to exceed three years as provided in Section 3.2.d; and (2) approving revisions to the Project Budget, so long as the changes do not increase the amount of the CRA/LA Loan or otherwise have a material adverse impact on the feasibility of the project, as specified in Section 3.3.g and Section 3.9.

Christine Essel
Chief Executive Officer

By 

Glenn F. Wasserman
Chief Operating Officer

There is no conflict of interest known to me to exist with regard to any CRA/LA officer or employee concerning this action.

Attachment A – Site Map

Attachment B – Predevelopment Budget

Attachment C - Inclusionary and Proportionality Analysis

Attachment D – Relocation Plan

Attachment E - Replacement Housing Plan

Attachment F – Resolution – Replacement Housing Plan

CRA/LA, A DESIGNATED LOCAL AUTHORITY
(Successor Agency to the Community Redevelopment Agency of the City of Los Angeles, CA)

MEMORANDUM

4

DATE: MARCH 29, 2012
TO: GOVERNING BOARD
FROM: CHRISTINE ESSEL, CHIEF EXECUTIVE OFFICER
STAFF: BARRON MCCOY, REGIONAL ADMINISTRATOR
NEELURA BELL, PROJECT MANAGER

EB1350/HW1350
100543
EOPS # 960

SUBJECT: **Coronel — Revised Schedule of Performance.** Proposed revisions to the Schedule of Performance in CRA/LA Loan Agreement with Hollywood Community Housing Corporation for acquisition and predevelopment activities relating to the Coronel project at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue in the East Hollywood/Beverly-Normandie Disaster Assistance and Hollywood Redevelopment Project Areas
HOLLYWOOD & CENTRAL REGION (CD 13)

RECOMMENDATION

That the Governing Board take the following action:

1. Authorize the Chief Executive Officer ("CEO") or designee to consent to revisions to the Schedule of Performance in the CRA/LA Loan Agreement with Hollywood Community Housing Corporation for acquisition and predevelopment activities ("Loan Agreement") relating to predevelopment work for potential 54 unit affordable housing project and preservation of historic bungalows and other structures ("potential Project") at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue

SUMMARY

The developer of the potential Project is Hollywood Community Housing Corporation ("HCHC"). HCHC has requested revisions to the Schedule of Performance in the Loan Agreement to: (i) extend the loan conversion date by one year from September 29, 2012 to September 29, 2013; (ii) clarify that the commencement of construction date was to occur after, rather than before, the loan conversion date; and (iii) state that the expected commencement of construction date is October 2013 as outlined in Attachment A hereto.

On June 17, 2010, the CRA/LA Board of Commissioners approved the Loan Agreement in the amount of \$5,027,000 for predevelopment work on the potential Project at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue ("Site"). In October 2010, the loan closed and CRA/LA disbursed \$3,584,500 to cover acquisition and other closing costs. To date, another \$316,413 has been disbursed for additional predevelopment expenses. The current outstanding loan balance to be disbursed is \$1,126,087.

SOURCE OF FUNDS

No new CRA/LA funds are required for this action. The previously approved source of funds included East Hollywood/Beverly-Normandie and Hollywood Redevelopment Project Area Low and Moderate Income Housing Funds and East Hollywood Project Area Bond Proceeds.

ROPS AND ADMINISTRATIVE BUDGET IMPACT

This action is consistent with AB1x26 and the current Enforceable Obligations Payment Schedule under Item #0960.

ENVIRONMENTAL REVIEW

The acquisition and predevelopment loan is statutorily exempt from the provisions of CEQA pursuant to Section 15262 of the State CEQA Guidelines. Upon completion of the feasibility analysis for the potential Project, and at the time of the anticipated request to convert the predevelopment loan to a construction and permanent loan, the EIR prepared by the City for that proposal will be brought to the CRA/LA Governing Board for consideration. This determination was concurred by the CRA/LA Board in its action of approval on June 17, 2010. The proposed action, revisions to the Schedule of Performance, does not constitute an action requiring separate or additional environmental review under CEQA.

Christine Essel
Chief Executive Officer

By:



David Riccitiello
Chief Operating Officer

There is no conflict of interest known to me which exists with regard to any CRA/LA officer or employee concerning this action.

ATTACHMENT

Attachment A - Revised Schedule of Performance

ATTACHMENT A

EXHIBIT C
TO LOAN AGREEMENT

SCHEDULE OF PERFORMANCE

STATUS UPDATE AND REVISED MARCH 2012

	Action to be Taken	Time of Performance Original	Revised & Update March 2012
1.	<u>Submission – Conditions Precedent to Disbursement.</u> Borrower shall submit documentation that all Conditions Precedent to Disbursement have been satisfied. Loan Agreement Section 3.3.	Prior to first disbursement of CRA/LA Loan funds, but not later than five (5) Business Days after Effective Date of Loan Agreement.	Completed (CRA loan documents executed 9/29/2010)
2.	<u>Disbursement – First Disbursement of CRA/LA Loan.</u> CRA/LA shall make the initial disbursement of CRA/LA Loan proceeds. Loan Agreement Section 3.4.	Upon approval of all required documentation, but in any event not later than ten (10) Business Days after submission of documentation of satisfaction of all Conditions Precedent to Disbursement.	Completed (Purchase occurred 10/20/2010)

	Action to be Taken	Time of Performance Original	Revised & Update March 2012
5.	<u>Submission – Evidence of Financing.</u> Borrower shall submit evidence of financing including all documents required by the Construction/Permanent Lender. Loan Agreement Section 3.10.	Not later than twenty (20) Business Days prior to the anticipated CRA/LA Loan Conversion Date.	
6.	<u>Review of Evidence of Financing.</u> CRA/LA Chief Executive Officer or designee shall approve or disapprove evidence of financing. Loan Agreement Section 3.10.	Not later than twenty (20) Business Days after complete submittal.	
7.	<u>Approval or Disapproval – Conditions Precedent to CRA/LA Loan Conversion.</u> CRA/LA shall approve or disapprove of the documentation that all Conditions Precedent to CRA/LA Loan Conversion have been satisfied. Loan Agreement Section 3.5	Within twenty (20) Business Days after submission of all documentation.	
8.	<u>CRA/LA Loan Conversion Date.</u> The CRA/LA Loan Conversion shall occur. Loan Agreement Section 3.5.	Upon satisfaction of all Conditions Precedent to CRA/LA Loan Conversion, but not later than two (2) years after the Effective Date of the Loan Agreement, subject to extension by CRA/LA Chief Executive Officer in her sole discretion.	Upon satisfaction of all Conditions Precedent to CRA/LA Loan Conversion, but not later than three (3) years after the Effective Date of the Loan Agreement, subject to extension by CRA/LA Chief Executive Officer in her sole discretion. (September 29, 2013)
9.	<u>Submission – Basic Concept Drawings.</u> Borrower shall submit Basic Concept Drawings. Loan Agreement Section 4.3.a.	Concurrently with execution and delivery to CRA/LA of the Loan Agreement by Borrower.	Completed

	Action to be Taken	Time of Performance Original	Revised & Update March 2012
16.	<u>Approval – Final Construction Drawings.</u> CRA/LA shall review and approve or disapprove the Final Construction Drawings. Loan Agreement Section 4.6.	Within twenty (20) Business Days after receipt of complete submittal.	
17.	<u>Approvals and Permits.</u> Borrower shall obtain and submit to CRA/LA evidence of all permits and approvals necessary for the construction of the Project. Loan Agreement Section 4.8.	After CRA/LA approval of Final Construction Drawings, but in no event later than the time required for commencement of construction.	
18.	<u>Preconstruction Meeting.</u> Borrower and General Contractor shall meet with CRA/LA Office of Audits and Compliance. Loan Agreement Sections 5.13.c and 5.15.c.	Not later than thirty (30) Business Days prior to the commencement of construction.	
19.	<u>Community Outreach Plan.</u> Borrower shall submit its Community Outreach Plan. Loan Agreement Section 5.13.c.	Within twenty (20) Business Days prior to the commencement of construction.	
20.	<u>Review and approval/disapproval of Community Outreach Plan.</u> CRA/LA Chief Executive Officer or designee shall approve or disapprove the Community Outreach Plan. Loan Agreement Section 5.13.c.	Within twenty (20) Business Days after receipt of complete submittal.	
21.	<u>Notice to Proceed –</u> The CRA/LA shall issue a Notice to Proceed upon satisfaction of all Conditions Approval to CRA/LA Loan Conversion and approval of all plans, specifications, budgets, and all other documents required by the Loan Agreement necessary to the commencement of construction.	Not later than twenty (20) Business Days after receipt of all submittals required for commencement of construction.	

	Action to be Taken	Time of Performance Original	Revised & Update March 2012
28.	<u>Audit Approval</u> . CRA/LA shall approve or disapprove the certified audit of construction costs.	Within sixty (60) calendar days after receipt of the audit by CRA/LA.	

Exhibit 3

From: Ken Kahan [ken@californialandmark.com]
Sent: Thursday, November 01, 2012 4:32 PM
To: Marcel Porras; Ana Guerrero
Cc: Patrick Roberts; Christine Jerian
Subject: RE: Larchmont and Melrose the LC
Attachments: image003.gif; image004.png; image005.jpg

Hi.. today only I can be reached at [REDACTED] until 5 and then on my cell 3106255000



Ken Kahan
California Landmark
10600 Santa Monica Blvd.
Los Angeles, CA 90025
310-234-8880
310-234-8840 Fax
www.californialandmark.com

From: Marcel Porras [mailto:marcel.porras@lacity.org]
Sent: Thursday, November 01, 2012 4:10 PM
To: Ana Guerrero
Cc: Ken Kahan; Patrick Roberts; Christine Jerian
Subject: Re: Larchmont and Melrose the LC

Hi Ken,

Happy to help. I just left you a message at your office. Give me a call at 213-473-7721.

On Mon, Oct 29, 2012 at 3:39 PM, Ana Guerrero <ana.guerrero@lacity.org> wrote:
Hi Ken. I will ask Christine, copied here, to follow up. Christine is CM Garcetti's for that neighborhood.

On Mon, Oct 29, 2012 at 11:28 AM, Ken Kahan <ken@californialandmark.com> wrote:

Hi Ana.

We are building the attached project.

Los Angeles Times

It went through a full condominium entitlement through your office several years ago and we currently are working with the Vesting tentative map. We recently paid \$600,000 to HCHC in connection with an offsite issue. Nonetheless we STILL planning on adding some low income units.

At this time we have an issue regarding construction over the alley. Public Works will not allow us to pull a building permit for this portion until our condo map records. As a practical matter that process will take nearly one year so we need to find another way to make this happen and break ground.

We are told by public works that a council action allowing the development over the alley will permit the project to go forward. Can you please help in any way?

Very much appreciated.

Best,

Ken Kahan



Ken Kahan

California Landmark

10600 Santa Monica Blvd.

Exhibit 4

Date: Fri, Mar 15, 2013 at 5:14 PM

Subject: RE: HCHC's Coronel Apartment Project (APCC-2010-1554-SPE-ZV-DB-SPP) - Coordination Meeting Request

To: Christopher Murray <chris@raa-inc.com>, Jim Tokunaga <jim.tokunaga@lacity.org>

Cc: Theodore Irving <theodore.irving@lacity.org>, Daniel Scott <dan.scott@lacity.org>

Hi Everyone:

I wanted to jump in to add a few things that may not be clear. The whole reason that we asked Michael if we could head to the expedite unit was because we are in VERY REAL danger of losing this CRA funding. The entitlement process for this project has been going on for nearly 3 years and we haven't really gotten anywhere to date. We have a 2 year CRA acquisition and predevelopment loan and already got a 1 year extension from the CEO of the CRA. Our loan now expires this September. Losing \$5 million of housing funds is definitely not in the best interests of the City. That date is what is driving the urgency behind our requests.

We have no desire to make things difficult for all of you. In fact, we thought we were doing better Planning in going for an off menu density bonus rather than a variance for height combined with a density bonus request. We have had a few meetings in the past with various Planning people but many things have changed over these past three years. We had started down the entitlement track with the CRA and then had to start all over with City Planning. The EIR is basically a NIMBY thing revolving around a house that the City (SurveyLA) determined was not historic. I do not anticipate anything of substantive value to come up between the DEIR and the EIR phase. But you never know.

The reason that I have been pushing to have a hearing date scheduled was to avoid any unnecessary timing delays between the finishing of the EIR and the CPC hearing. I understood there was a 3 month scheduling delay before a hearing date arrived. If we were to start with the expedite unit now and schedule the next available date with the CPC is it not going to be 3 months away? My hope was to have our CPC date sometime in June. The one assumption that makes is that Srimal will check the final draft of the EIR. If that is the case then I am hopeful that we could maintain that timeframe.

I understand that I may totally have misconstrued the timing question. Feel free to enlighten me as to the realities of the timing. This is the first EIR and first off menu density bonus case we have ever had.

Thank you all for your willingness to continue to help us out. We are grateful that the City has you and that you are always trying to help us move our projects forward in the most efficient way. Wishing you all a great weekend.

All the best, Maura

Exhibit 5

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 27, 2014

CAO File No. 0220-00540-1104

Council File No. 13-0303-S5

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MAS*

Reference: Housing and Community Investment Department (HCID) Transmittal dated July 19, 2014; Received by the City Administrative Officer on August 12, 2014; Additional HCID request submitted August 15, 2014

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORITY FOR VARIOUS ACTIONS REGARDING AFFORDABLE HOUSING TRUST FUND (AHTF) PROJECTS, THE RETROACTIVE EXPANSION OF THE SUPPORTIVE SERVICES RESERVE FUND, AND TO AMEND THE SELMA COMMUNITY HOUSING PROJECT LOAN AGREEMENT**

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to make adjustments to the following Affordable Housing Trust Fund (AHTF) projects: Courtleigh Villas, South West View Apartments, Florence Mills, and Coronel Apartments. The Project Sponsor for Courtleigh Villas returned its AHTF funding commitment and HCID requests authority to reallocate those AHTF funds to South West View Apartments. The HCID also requests authority to amend two loan agreements between the former Community Redevelopment Agency (CRA/LA) and Hollywood Community Housing Corporation (HCHC), the borrower for the Florence Mills and Coronel Apartments housing projects. The Florence Mills loan agreement requires an amendment to include two parcels that comprise a portion of the housing development but were not included in the current version of the loan agreement. The amendment to the Coronel Apartments loan agreement is required to close an unanticipated funding gap and avoid implications for an Infill Infrastructure Grant from the California Department of Housing and Community Development (HCD) by allowing the entire CRA/LA acquisition/predevelopment loan amount to be converted to a permanent loan. This amendment will also add \$1,500,000 reallocated from the Camden Project as a funding source for the Coronel Apartments project.

Further, HCID requests authority to extend retroactively the Supportive Services Reserve Fund (SSRF) to include projects that were in predevelopment, construction or otherwise not completed at the time of the SSRF's implementation.

Exhibit 6



Arts, Parks, Health, Aging and
Los Angeles River
Chair

Personnel and Animal
Welfare
Vice-Chair

MITCH O'FARRELL
Councilmember
Thirteenth Council District

Education and Neighborhoods
Member

Innovation, Technology and
General Services
Member

Public Safety
Member

August 19, 2013

Mercedes Marquez
General Manager
Los Angeles Housing Department
1200 West 7th Street, 8th Floor
Los Angeles, CA 90017

Dear Ms. Marquez:

I am writing in support of the Hollywood Community Housing Corporation ("HCHC") and its proposed Coronel Apartments development located in Hollywood. When completed, this project will provide much needed housing for 54 families.

I am happy once again to be working with HCHC in Council District 13. As demonstrated by the twenty-three developments HCHC has completed, fifteen of which have already been completed within my district, HCHC is a highly capable and effective developer of affordable housing and has a solid track record in the Hollywood community. In addition, HCHC's goals are consistent with those of this Council Office, including (1) rehabilitating, dilapidated and/or abandoned apartment buildings, (2) helping to stabilize and revitalize impacted neighborhoods, and (3) improving the quality of life for low income families in Hollywood and surrounding neighborhoods through the creation of affordable housing with services. As a non-profit and community based organization, HCHC has consistently shown sensitivity to the needs and concerns of both low-income households and the neighbors of HCHC's projects.

The Coronel Apartments is a prime example of community based neighborhood revitalization.

I strongly support HCHC and the proposed Coronel Apartments development. My staff and I will be working hand in hand with HCHC to make this project a reality. If you have any questions, please feel free to contact Marie Rumsey on my staff at (213) 473-7013.

With kind regards,

MITCH O'FARRELL
Councilmember, 13th District
Los Angeles City Council
City of Los Angeles



Exhibit 7

13-1217

CD 13 SEP 13 2013

Prior CF: 10-1063

HOUSING

MOTION

On July 2, 2010, the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) received City Council approval to execute an acquisition and predevelopment loan agreement with Hollywood Community Housing Corporation in an amount not to exceed \$5,027,000 for a proposed 54-unit affordable housing project known as Coronel Apartments, located at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue (C.F. 10-1063).

On September 29, 2010, the parties fully executed the acquisition and predevelopment loan agreement, which contains a provision stating that the full amount of principal and interest will become due and payable two years from the date of the CRA/LA Acquisition and Predevelopment Loan Note (subject to a maximum one-year extension by the CRA/LA's Chief Executive Officer), unless, prior to the expiration of the initial term, the Borrower satisfies all conditions precedent to loan conversion as stipulated in the agreement, in which case the loan shall convert to a 55-year construction/permanent loan.

The Borrower was unable to meet the conversion deadline prior to the end of the initial loan term due to the filing of a challenge to the Mitigated Negative Declaration (MND) claiming a possible historic designation of one of the sites, which necessitated a full historic review that determined the property in question did not meet the historic criteria at the local, state or federal level.

In addition to the setback caused by the MND challenge, the CRA/LA informed the Borrower that the agency would no longer continue to process the environmental documents for the project because of the uncertainty surrounding the fate of redevelopment agencies statewide; therefore, on January 9, 2012, the CRA/LA Chief Executive Officer extended the initial term of the loan for a period of one year, with a new expiration date of September 29, 2013.

The maturity date for the loan is approaching, yet the Borrower continues to experience delays in meeting the conditions precedent to conversion as a direct result of the demise of the CRA/LA, which resulted in the requirement that the Borrower begin the environmental clearance process anew with the City Planning Department, which has been backlogged due to the additional workload and staffing shortages, resulting in the project's inability to apply for leverage financing.

I THEREFORE MOVE that the Council instruct the General Manager, Los Angeles Housing and Community Investment Department (HCIDLA) to extend the initial term of the acquisition and predevelopment loan agreement for the Coronel Apartments for a period of two years, with an expiration date of September 29, 2015, and issue a letter to Hollywood Community Housing Corporation that serves as an extension to the loan agreement, thereby providing ample time for the project to receive its environmental clearance and apply for leverage financing prior to the start of construction.

ADOPTED

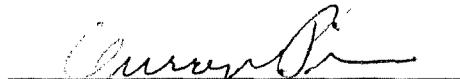
SEP 27 2013

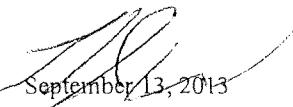
LOS ANGELES CITY COUNCIL

PRESENTED BY


MITCH O'FARRELL
Councilmember, 13th District

SECONDED BY




September 13, 2013

ORIGINAL

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

HOLLY L. WOLCOTT
Interim City Clerk

When making inquiries relative to
this matter, please refer to the
Council File No.

Office of the
CITY CLERK

Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
General Information - (213) 978-1133
Fax: (213) 978-1040

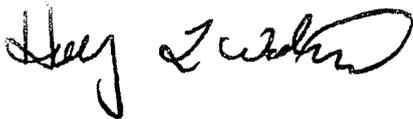
SHANNON HOPPE
Council and Public Services
Division

www.cityclerk.lacity.org

October 1, 2013

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File
No. 13-1217, at its meeting held September 27, 2013.



City Clerk
OS

Exhibit 8

APR 25 2014

MOTION

TO CITY CLERK FOR PLACEMENT ON NEXT REGULAR COUNCIL AGENDA TO BE POSTED

#55

On November 26, 2013 the City Council, accepted the sum of \$1,500,000 contributed by the application for a Zone District change located at 1540 North Vine Street, [CPC 2006-3871-ZC-CUB-SPR, Ordinance NO. 178,836] and instructed the Los Angeles Housing and Community Investment Department to deposit this amount into a new account in the Affordable Housing Trust Fund No. 44G, Department 43, entitled "CD-13 Camden Project" said funds to be used specifically for the development of off-site affordable housing in Council District 13, pursuant to Condition 27 of this ordinance.

Hollywood Community Housing Corporation ("HCHC") has proposed a 54-unit affordable housing project known as Coronel Apartments, located at 1601 North Hobart Avenue and 1600-1608 North Serrano Avenue in Council District 13. When completed, this project will provide much needed affordable housing for 54 families. HCHC is a highly capable and effective developer of affordable housing and has a solid track record in the Hollywood community.

On July 2, 2010 the former Community Redevelopment Agency of the City of Los Angeles received City Council approval to execute an acquisition and predevelopment loan agreement with HCHC in an amount not to exceed \$5,027,000 for the Coronel Apartments.

I THEREFORE MOVE that the Council instruct the General Manger of the Los Angeles Housing and Community Investment Department to amend the loan agreement and transfer \$1,500,000 from the Affordable Housing Trust Fund No. 44G, Department 43, entitled "CD-13 Camden Project" to support the Coronel Apartments.

I FURTHER MOVE that the Council, subject to approval of the Mayor:

1. Request the City Controller to:

a. Establish a new account and appropriate funds within Affordable Housing Trust Fund No. 44G, Department 43, entitled "CD-13 Camden Project" as follows:

<u>Fund/Dept</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
44G/43	43K447	CD-13 Coronel Apartments	\$1,500,000

b. Expend funds not to exceed \$1,500,000 from the above fund and account upon proper written demand of the General Manager of Los Angeles Housing and Community Investment Department, or designee, on an as-needed basis; and

2. Authorize the General Manager, HCIDLA, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action in this matter, subject to approval of the City Administrative Officer (CAO), and request the Controller to implement these instructions.

ADOPTED

MAY 2 2014

APR 25 2014

PRESENTED BY:

Mitch O'Farrell

MITCH O'FARRELL
Councilmember, 13th District

SECONDED BY:

[Signature]

LOS ANGELES CITY COUNCIL

Exhibit 9



November 21, 2013

Mr. Alex Fu
Los Angeles Housing and Community Investment Dept.
1200 W. 7th Street, 8th Floor
Los Angeles, CA 90017

**Subject: Section 106 Review for Coronel Apartments
1601-1605 N. Hobart Blvd. & 1600-1602 N. Serrano Avenue, Los Angeles, CA**

Dear Mr. Fu:

Pursuant to your request, ICF International (ICF) is carrying out a review of the undertaking at the above-referenced address under Section 106 of the National Historic Preservation Act. Acting as the City's Historic Preservation Consultant, ICF is carrying out this review under the terms of the Programmatic Agreement (PA) of September 6, 1995 among the City of Los Angeles, the State Historic Preservation Officer, and the Advisory Council on Historic Preservation.

ICF has established an Area of Potential Effects (APE) for the proposed undertaking and conducted a review of the properties located in this area, per the requirements of Stipulation VI (Identification and Evaluation of Historic Properties) of the PA. Based on our review, we have concluded that properties eligible for and listed in the National Register of Historic Places (NRHP) are located in the project APE.

We recommend that the City consider the house at 1601 N. Hobart Boulevard NRHP eligible for the purposes of Section 106 review under the PA. There are also two other properties already listed in the NRHP located in the APE adjacent to the subject property. The bungalow courts located at 1544 and 1554 N. Serrano Avenue were identified as NRHP eligible as part of prior Section 106 review undertakings in 1994 and 2007, and listed in the NRHP in September 2010 as part of federal historic preservation tax credit projects.

The buildings on the project site were previously evaluated by historic resources assessment included as part of the draft and final Environmental Impact Reports for the project in 2012 and 2013. There are several opposing opinions expressed in these documents about whether the house at 1601 N. Hobart Boulevard is NRHP eligible, including in the submitted public comment letters. We have reviewed each of these opinions, and contacted several of the consultants and interested parties involved to better understand how this property is being considered. In addition, we conducted our own assessment of the property based on NRHP criteria for eligibility. The result is our aforementioned recommendation. We believe a strong argument can be made that 1601 N. Hobart Boulevard is NRHP eligible.

It also should be noted that several of the organizations/individuals that expressed opinions during the EIR comment period about house's NRHP eligibility would also be considered interested parties under

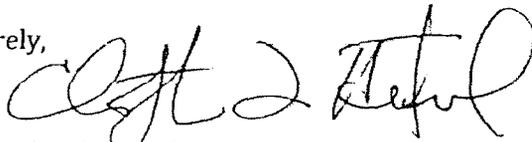
Section 106 for the for Coronel Apartments
November 21, 2013
Page 2 of 2

Section 106, and would need to be consulted as part of the Section 106 review process. According to the PA, any of these interested parties could disagree with the City's findings and force consultation with the SHPO and Advisory Council to resolve the disagreement (Stipulation XIII). Therefore, consideration of their opinions is important.

Because there are NRHP-eligible properties in the APE, under Stipulation VI.D.1.a of the PA, these properties are considered "historic properties" and the undertaking must be reviewed for conformance with the Secretary of the Interior's Standards for Rehabilitation and the California Historical Building Code. To complete a review of the undertaking on behalf of the City, the NRHP-eligibility determination for 1601 N. Hobart Boulevard will need to be submitted to the SHPO for review and concurrence. As the project currently calls for the demolition of this property, we also suggest that a meeting be scheduled to discuss whether the adverse effect can be avoided, or if the SHPO should be consulted and the process of preparing and implementing a Standard Mitigation Measures Agreement (SMMA) initiated.

Please feel free to contact me at (206) 801-2817 or Colleen Davis at (213) 312-1759 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. J. Hetzel', written in a cursive style.

Christopher J. Hetzel
Project Manager/Senior Architectural Historian

Cc: Shelly Lo

Exhibit 10



Eric Garcetti, Mayor
Rushmiore D. Cervantes, Interim General Manager

July 16, 2014

Hollywood Community Housing Corp.
5020 Santa Monica Boulevard
Los Angeles, CA 90029

Attn: Maura Johnson, Housing Director
Email: mjohnson@hollywoodhousing.org

**Re: Coronel Apartments
1601 North Hobart Boulevard**

Dear Ms. Johnson,

The Los Angeles Housing and Community Investment Department (HCID) has assumed the loan to the above project made to your organization by the former Community Redevelopment Agency. The proposed development was approved with 54-unit affordable housing units and one unrestricted managers unit (Project). The Project will cost approximately \$25,940,885 to develop.

It is our understanding that the sponsor is seeking a Density Bonus approval pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22.A25, and Project Permit Compliance approval under the Vermont/Western Transit Oriented District Specific Plan ("SNAP"), pursuant to LAMC Section 11.5.7C. The Density Bonus request includes one (1) On Menu Incentive and five (5) Off Menu Incentives in conformance with LAMC Section 12.22.A25(g)(3) and Government Code Section 65915.

We are aware that there is an alternative project design that does not require Off Menu Incentives. This design would contain only 45 units and would cost approximately \$31,949,494. Under that configuration the project would receive a "high cost" designation by the California Tax Credit Allocation Committee ("TCAC") and would not be recommended for an award.

While HCID may petition TCAC for a credit award, it would need to explain why it would be sound public policy. Given the competitiveness of tax credit allocations and the limited availability of public funds, such a high cost project could not be supported by HCID. In addition to the more than 23%

Subject Coronel Apartments

Date July 16, 2014

Page 2

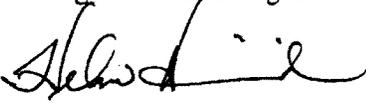
increase in cost, the reduced size of the project is inconsistent with approved terms of the loan. HCID will therefore not consider amending the loan for the purposes of proceeding with only On-Menu Incentives.

If you have any questions regarding this letter, please contact Tim Elliott, Housing Finance Manager at (213) 808-8596.

Sincerely,

RUSHMORE D. CERVANTES

Acting General Manager

A handwritten signature in black ink, appearing to read 'Helmi Hisserrich', written over the printed name.

HELMI HISSERICH

Assistant General Manager

Finance and Development Division

Exhibit 11

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 27, 2014

CAO File No. 0220-00540-1104
Council File No. 13-0303-S5
Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *DH*
RV

Reference: Housing and Community Investment Department (HCID) Transmittal dated July 19, 2014; Received by the City Administrative Officer on August 12, 2014; Additional HCID request submitted August 15, 2014

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT REQUEST FOR AUTHORITY FOR VARIOUS ACTIONS REGARDING AFFORDABLE HOUSING TRUST FUND (AHTF) PROJECTS, THE RETROACTIVE EXPANSION OF THE SUPPORTIVE SERVICES RESERVE FUND, AND TO AMEND THE SELMA COMMUNITY HOUSING PROJECT LOAN AGREEMENT**

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to make adjustments to the following Affordable Housing Trust Fund (AHTF) projects: Courtleigh Villas, South West View Apartments, Florence Mills, and Coronel Apartments. The Project Sponsor for Courtleigh Villas returned its AHTF funding commitment and HCID requests authority to reallocate those AHTF funds to South West View Apartments. The HCID also requests authority to amend two loan agreements between the former Community Redevelopment Agency (CRA/LA) and Hollywood Community Housing Corporation (HCHC), the borrower for the Florence Mills and Coronel Apartments housing projects. The Florence Mills loan agreement requires an amendment to include two parcels that comprise a portion of the housing development but were not included in the current version of the loan agreement. The amendment to the Coronel Apartments loan agreement is required to close an unanticipated funding gap and avoid implications for an Infill Infrastructure Grant from the California Department of Housing and Community Development (HCD) by allowing the entire CRA/LA acquisition/predevelopment loan amount to be converted to a permanent loan. This amendment will also add \$1,500,000 reallocated from the Camden Project as a funding source for the Coronel Apartments project.

Further, HCID requests authority to extend retroactively the Supportive Services Reserve Fund (SSRF) to include projects that were in predevelopment, construction or otherwise not completed at the time of the SSRF's implementation.

The negotiations between HCHC and the sellers of Parcels 4 and 6 have been finalized and the CCFLT loan for Parcels 3 and 5 is now due. Therefore, HCID requests that the Mayor and Council authorize the amendment of the CRA loan agreement with HCHC to: 1) add Parcels 5 and 6 to the project site and change the total number of project parcels to six; 2) use CRA loan proceeds to repay the CCFLT acquisition loan for Parcels 3 and 5; 3) use CRA loan proceeds to purchase Parcels 4 and 6; and, 4) modify the project budget, scope of development, schedule of performance and other supplemental documents to the loan agreement as needed. The \$1,500,000 in remaining CRA loan proceeds is sufficient to cover the costs of these transactions and any additional proceeds will be used to pay outstanding predevelopment expenses.

Coronel Apartments

On July 2, 2010 the Council authorized the CRA/LA to execute a loan agreement with HCHC in the amount of \$5,027,000 for acquisition and predevelopment costs for the Coronel Apartments Project. The predevelopment/acquisition loan from CRA had a maturity date two years from the date of execution with a one-year extension option. Additionally, the HCHC planned to seek an AHTF award of \$5,200,000, Affordable Housing Program (AHP) financing, conventional debt and tax equity. It was projected that the CRA/LA loan could be reduced by \$938,701 when converted to a permanent loan and it is for this reason that the original CRA loan documents included provisions regarding a reduced permanent loan amount. In September 2013, following the transfer of the Coronel project from CRA/LA to HCID, the Council granted HCID the authority to extend the CRA/LA loan agreement to September 29, 2015 (C.F. 13-1217).

During the past four years, the project sponsor was able to maintain the project's total development cost and obtain additional sources of financing that eliminated the need for AHTF funding. Specifically, the project sponsor received an Infill Infrastructure Grant (IIG) from the California Department of Housing and Community Development (HCD), City funding from the Camden project through a Council Motion (C.F. 13-1543-S1) and a larger than expected AHP award. The HCD will be releasing a Notice of Funding Availability (NOFA) this fall for the next round of Infill Infrastructure Grants. It may require that recipients of IIG funds in the previous round, which have not spent the funds, demonstrate that their project remains feasible and that the funds will be spent for the purpose that they were granted.

The HCHC initially expected to enter into an agreement with the Millennium Hollywood Project for \$2,400,000 in funding for the Coronel Apartments development. The deal was later placed on hold due to concerns regarding a potential earthquake fault near or on the site and the funds were never received by HCHC. The majority of the funding from the Millennium Hollywood Project has been replaced by the \$1,500,000 redirected from the Camden Project (C.F. 13-1543-S1); however, there is still a funding gap of approximately \$900,000 to complete the Coronel Project. The financing gap can be resolved if the entire CRA/LA loan amount is maintained after conversion to a permanent loan rather than having the loan amount reduced by \$938,701. Therefore, the Department requests that the CRA/LA loan agreement be amended to delete all references to a reduced loan amount at conversion to a permanent loan and that the amendment include the addition of the funds from the Camden Project as a funding source.

Exhibit 12

I hope you have a wonderful weekend.

All the best, Maura

Maura McAniff Johnson

Housing Director

Hollywood Community Housing Corporation

5020 W. Santa Monica Blvd.

Los Angeles, CA 90029

Tel: 323-454-6211

Fax: 323-454-4677

Mobile: 213-703-0096

The email below is what I was hoping to speak with you about. As you know, we were nearly completed with our CEQA process through the CRA when they were disbanded and we had to start the process all over with City Planning. We have been working with City Planning for two years now on our environmental clearance. Due to a large number of factors including the cultural heritage monument application brought by Charlie Fisher et al, we were forced to do an EIR. We finished our second errata (related to clarifications regarding the Hollywood Community Plan) to the FEIR on August 12, 2014. We needed to update architectural drawings and data etc. for Planning files since much of what they had dated back to 2010. All of the required information has been with Planning since December 12 or five and a half weeks.

We were told by Blake and Monique back in August that from the date our full package was submitted, that Planning had 30 days to review our package and would schedule our hearing officer hearing about half way through the 75 days they had to schedule our CPC hearing. 104 days after 12/12/14 is March 27th. They are tacking on two plus months to get to June 11th.

Do you have a few minutes tomorrow to speak about this?

Dan Scott spoke with Blake and Monique and he said they told him we are tentatively scheduled to have our Hearing Officer Hearing at the end of April (2015) and our CPC Hearing on June 11th (also 2015).

Exhibit 13



Blake Lamb <blake.lamb@lacity.org>

Thank you for help on Coronel scheduling!

1 message

Gary Benjamin <gary.benjamin@lacity.org>

Thu, Feb 5, 2015 at 4:32 PM

To: Lisa Webber <lisa.webber@lacity.org>, Blake Lamb <blake.lamb@lacity.org>

I just got off the phone with Maura Johnson from Hollywood Community Housing Corporation and she was excited to get her CPC dates. According to her, they May 14 date will enable them to get everything wrapped up in time to keep the project on schedule. Thank you for your help!

Gary

—

Gary Benjamin
Planning & Transportation Deputy
LA City Council District 13
Office: (213) 473-7569
Cell: (213) 265-6353
gary.benjamin@lacity.org

Find the Councilmember on Facebook, Twitter and YouTube!

Exhibit 14

HOLLYWOOD REDEVELOPMENT PLAN

As First Amended on
May 20, 2003

(Ordinance No. 175236 -- Effective Date: July 12, 2003)

improperly utilized and which could not be accomplished by private enterprise acting alone, without public participation and assistance; and (3) by protecting and promoting sound development and redevelopment of blighted areas and the general welfare of the citizens of the City by remedying such injurious conditions through the employment of appropriate means.

II. 200. PROJECT AREA BOUNDARY AND LEGAL DESCRIPTION

The boundary of the Project Area is shown on the Redevelopment Plan Map attached as Amended Exhibit A.1 and is described in the Legal Description attached as Exhibit B.

III. 300. REDEVELOPMENT PLAN GOALS

1) Encourage the involvement and participation of residents, business persons, property owners, and community organizations in the redevelopment of the community.

2) Preserve and increase employment, and business and investment opportunities through redevelopment programs and, to the greatest extent feasible, promote these opportunities for minorities and women.

3) Promote a balanced community meeting the needs of the residential, commercial, industrial, arts and entertainment sectors.

4) Support and encourage the development of social services with special consideration given to participating in projects involving community based organizations that serve runaways, the homeless, senior citizens and provide child care services and other social services.

5) Improve the quality of the environment, promote a positive image for Hollywood and provide a safe environment through mechanisms such as:

a) adopting land use standards;

b) promoting architectural and urban design standards including: standards for height, building setback, continuity of street facade, building materials, and compatibility of new construction with existing structures and concealment of mechanical appurtenances;

c) promoting landscape criteria and planting programs to ensure additional green space;

d) encouraging maintenance of the built environment;

e) promoting sign and billboard standards;

- f) coordinating the provision of high quality public improvements;
- g) promoting rehabilitation and restoration guidelines;
- h) integrate public safety concerns into planning efforts.

6) Support and promote Hollywood as the center of the entertainment industry and a tourist destination through the retention, development and expansion of all sectors of the entertainment industry and the preservation of landmarks related to the entertainment industry.

7) Promote the development of Hollywood Boulevard within the Hollywood commercial core as a unique place which:

- a) reflects Hollywood's position as the entertainment center;
- b) provides facilities for tourists;
- c) contains active retail and entertainment uses at the street level;
- d) provides for residential uses;
- e) is pedestrian oriented;
- f) is a focus for the arts, particularly the performing arts; and
- g) recognizes and reinforces its history and architecture.

8) Promote and encourage the retention and expansion of all segments of the arts community and the support facilities necessary to foster the arts and attract the arts through land use and development policies such as the creation of a theater district.

9) Provide housing choices and increase the supply and improve the quality of housing for all income and age groups, especially for persons with low and moderate incomes; and to provide home ownership opportunities and other housing choices which meet the needs of the resident population.

10) Promote the development of sound residential neighborhoods through mechanisms such as land use, density and design standards, public improvements, property rehabilitation, sensitive in-fill housing, traffic and circulation programming, development of open spaces and other support services necessary to enable residents to live and work in Hollywood.

11) Recognize, promote and support the retention, restoration and appropriate reuse of existing buildings, groupings of buildings and other physical features especially those having significant historic and/or architectural value and ensure that new development is sensitive to these features through land use and development criteria.

Agency may require, as part of a participation or development agreement, participation in the provision of parks and open spaces. It is recognized that the Project Area lacks adequate open space, recreational areas and landscaping. Throughout the Redevelopment process, in review of specific development proposals and in adopting Designs for Development, the need for additional publicly accessible open space and landscaping, including street trees shall be recognized and encouraged.

509. Non-Conforming Uses

A non-conforming use is the use of a building or land which does not conform to this Plan and which existed at the time the Plan became effective. A non-conforming use may continue.

The Agency may authorize additions, alterations, repairs or other improvements to such non-conforming uses in the Project Area if, in the determination of the Agency, such improvements would be compatible with surroundings and proposed uses and development.

The Agency may require the owner of such property to enter into a Participation Agreement and agree to the imposition of such reasonable restrictions as are necessary to meet the objective of the Plan.

510. New Construction

All construction and development shall conform to all applicable state laws and city ordinances and regulations and shall be subject to review and approval by regulatory governmental bodies as required by law and this Plan.

511. Preservation, Rehabilitation and Retention of Properties

It is recognized that the Hollywood Project Area contains numerous buildings and groups of buildings with architectural and historical significance examples of which include the Hollywood Boulevard Commercial and Entertainment Historic District, Crossroads of the World and the U.S. Post Office which are listed in the National Register of Historic Places. It is further recognized that these buildings represent an important resource and a link to Hollywood's past. These can provide the basis for the revitalization of the Hollywood Project Area.

Buildings listed as Cultural-Historic Monuments by the City and listed in, determined or appear to be eligible for listing in the National Register of Historic Places are determined to be of architectural and/or historic significance. The Agency shall use established criteria for determining additional architectural and/or historical resources and shall maintain a

publicly available list of all buildings within the Project Area which it determines to be architecturally and/or historically significant.

To the extent practical, in the implementation of this Plan, including Sections 505.3 (Housing Incentive Units) and 506.2.3 (Regional Center Commercial Density), the Agency is authorized to provide for the retention, reuse and restoration of buildings and resources determined by the Agency to be architecturally or historically significant. The Agency shall deny requests for housing incentive units, development in the Regional Center Commercial designation above an F.A.R. of 4.5:1 and variations for sites on which a structure determined by the Agency to be significant was demolished after the adoption of this Plan or is proposed to be demolished; however, under exceptional circumstances where a significant structure has been substantially damaged and must be demolished due to circumstances beyond the control of the owner, the Agency may grant requests for housing incentive units, development within the Regional Center Commercial designation above an F.A.R. of 4.5:1 and variations. Nothing in Section 511 shall deny, modify or affect in any way housing density bonuses granted by the city pursuant to applicable state law.

In order to provide incentives to preserve architecturally and/or historically significant structures, the unused density from architecturally and/or historically significant structures may be transferred to other development sites. The Agency shall promulgate procedures for such transfer proposals consistent with the procedures and requirements as established in Section 506.2.3, Regional Center Commercial Density, the procedures and requirements of Section 505.3, Housing Incentive Units, for housing developments and the procedures of Section 521, Variations.

The Agency shall obtain adequate assurances that the buildings from which the density transfer is taken are preserved and that the development on the site to which the density is transferred will occur in conformity to the Redevelopment Plan, the objectives of special districts as established by the Plan and if applicable, any adopted Design for Development.

No grading, foundation, demolition, building or any other kind of permit shall be issued by the City for any property within the Redevelopment Project Area which involves or is determined by the Agency to adversely affect any building or resource determined by the Agency to be architecturally or historically significant, unless and until the following procedures occurs:

Exhibit 15

2nd CIVIL NO. B217060
(Los Angeles Superior Court No. BS116355)

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION TWO

LA MIRADA AVENUE
NEIGHBORHOOD ASSOCIATION OF
HOLLYWOOD,

Appellant,

vs.

CITY OF LOS ANGELES AND LOS
ANGELES CITY COUNCIL,

Respondents,

and

SUNSET & GORDON INVESTORS, LLC,

Real Party in Interest.

Appeal from the Superior Court
Honorable John A. Torribio, Judge

RESPONDENTS' AND REAL PARTY IN INTEREST'S
OPPOSITION BRIEF

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[counsel continued on next page]

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EXF

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weigh the evidence, nor overturn the City's findings simply because "a contrary finding would have been equally or more reasonable".)

Appellant claims that "L" shape of the site is not that unusual and in any event was self-induced because Sunset voluntarily added the three northern R zoned lots to the Project. Appellant's argument ignores the realities of modern development, the power exercised by administrative agencies during the entitlement process, and the applicable Redevelopment Plan for the area. The record explains that Sunset acquired the additional lots at the urging of the CRA because CRA wanted development of the Project at a 4.5:1 FAR. (14:168:3359.) While Appellant asserts that the CRA's "encouragement" shows that the purchase of the additional lots was voluntary, because the CRA was the lead agency on the Project and ultimately approved it in a manner that incorporated these requirements, this circumstance was not truly voluntary or self-imposed. Unlike the situation in *San Marino*, the acquisition of the additional lots was not "of defendant's own expansion program" but rather of the CRA's desire for a higher FAR and density to better implement the Redevelopment Plan. Finding 2.b explains the constraints posed by the site's shape and dimensions in terms of limiting the building area, the size of the underground parking structure, and the number of parking spaces that can be accommodated therein. (9:96:2067-68.) The size and shape of a piece of property are specifically referenced in LAMC Section 12.27(D)(2) as being potential special circumstances.

The retention and incorporation of the OSF building into the Project limits the areas above and below ground where development on the site can occur and thus, in combination with the other limiting factors of the site, is a special circumstance unique to this site. (6:61:1274-75.) Appellant argues that because the OSF building is not a designated historic landmark, the requirement to preserve it is not a special circumstance. The lack of

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landmark designation is irrelevant, as is the fact that a prior owner of the site may have agreed to preserve the building. The CRA required Sunset to retain and incorporate portions of this vintage building into the Project to fulfill Hollywood Redevelopment Plan policies that recognize, promote and support the retention, restoration and appropriate reuse of existing buildings having significant architectural value. (14:168:3359; 16:191:3839, 3855-57.)

Appellant argues that seeking LEED Gold certification is a voluntary act that does not constitute a special circumstance. The requirement to seek LEED certification was imposed by the CRA (13:139:2946) and is a condition of the (unchallenged) zoning on the property. (1:14:214; 9:96:2117.) LEED certification requires the Project to be energy efficient and environmentally sustainable, which cannot be achieved if, despite the Project's unified development approval, it is nevertheless forced to observe interior zone boundaries, include unnecessary parking, wasted and inefficient use of space, and create separate open space areas and separate buildings and energy systems. (11:112:2556-59; 16:191:3656-57.) Therefore, this is a special circumstance that, in combination with the others cited in the findings, does not apply generally to other properties and supports the City's decision to grant variances to relieve the Project from the practical difficulties and unnecessary hardships that would otherwise impede the orderly development of the site.

Appellant argues that because all property owners in the area are subject to the same density and access to public transportation, these are not circumstances "peculiar" to the Project that can support variances from the parking regulations and instead the City should change the regulations. (AOB pp. 24-25.) The same type of argument was made and rejected by the Court in *Cruik*. In that case, in challenging a county's reliance in its variance findings on FEMA and county regulations as constituting special

