

## **General Plan / Charter Findings**

The City-initiated General Plan Amendment and requested Zone and Height District Change are in substantial conformance with the purposes, intent, and provisions of the General Plan as explained below:

### **1. General Plan Land Use Designation.**

The Project Site is located within the Central City North Community Plan, which was adopted by the City Council on December 15, 2000. The subject property is comprised of six contiguous lots, totaling approximately 45,721 square feet (1.05 acres) in size. The Community Plan currently designates the Project Site for Heavy Industrial land uses, corresponding to the M3 Zone. The Site is presently zoned M3-1-RIO, consistent with the range of zones under the land use designation.

As proposed, the General Plan Amendment would re-designate the Project Site from Heavy Industrial to Regional Commercial land uses. In addition, as recommended, a Vesting Zone Change and Height District Change would modify the existing zoning from M3-1-RIO to (T)(Q)C2-2-RIO. The proposed Regional Commercial land use designation corresponds to the CR, C1.5, C2, C4, RAS3, RAS4, R3, R4, R5 Zones. Thus, the recommended (T)(Q)C2-2-RIO Zone would be consistent with the adoption of the proposed land use designation and in substantial conformance with the purpose, intent, and provisions of the General Plan as it is reflected within the Central City North Community Plan.

### **2. General Plan Text.**

The Los Angeles General Plan sets forth goals, objectives and programs that guide both citywide and community specific land use policies. The General Plan is comprised of a range of State-mandated elements, including, but not limited to, Land Use, Transportation, Noise, Safety, Housing and Conservation. The City's Land Use Element is divided into 35 community plans that establish parameters for land use decisions within those sub-areas of the City. The project is in compliance with the following Elements of the General Plan: Framework Element, Housing Element, Mobility Element, Health and Wellness Element and the Land Use Element – Central City North Community Plan.

#### **Framework Element.**

The Framework Element for the General Plan (Framework Element) was adopted by the City of Los Angeles in December 1996 and re-adopted in August 2001. The Framework Element provides guidance regarding policy issues for the entire City of Los Angeles, including the project site. The Framework Element also sets forth a Citywide comprehensive long-range growth strategy and defines Citywide policies regarding such issues as land use, housing, urban form, neighborhood design, open space, economic development, transportation, infrastructure, and public services. The Framework Element includes the following provisions, objectives and policies relevant to the proposed project:

#### **Land Use**

***Goal 3A: A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services, reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental***

*justice and a healthful living environment, and achievement of the vision for a more livable city.*

**Objective 3.1:** *Accommodate a diversity of uses that support the needs of the City's existing and future residents, businesses, and visitors.*

**Objective 3.4:** *Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.*

**Policy 3.4.1:** *Conserve existing stable residential neighborhoods and lower-intensity commercial districts and encourage the majority of new commercial and mixed-use (integrated commercial and residential) development to be located:*

- a. in a network of neighborhood districts, community, regional, and downtown centers,*
- b. in proximity to rail and bus transit stations and corridors, and*
- c. along the City's major boulevards, referred to as districts, centers, and mixed-use boulevards, in accordance with the Framework Long-Range Land Use Diagram.*

The Project would support the above goal, objectives and policy of the framework through the provision of a complementary mix of uses on site, including 129 live/work multi-family residential units, 15 of which would be set aside for Very Low Income households, ground floor retail and restaurant uses, art gallery and collaborative artist production space, and 113 hotel rooms. This diversity of co-located uses will support the needs of existing and future residents, businesses, as well as visitors. The proposed uses would be appropriately located on an infill site in close proximity to the Downtown Center, placing future residents, employees and visitors near existing commercial and residential activity centers at the neighborhood and regional level, with access to public transit connections throughout Downtown, including 0.5 miles from the Metro Gold Line.

**INDUSTRIAL LAND USE.** *Definition: It is the intent of the General Plan Framework Element to preserve industrial lands for the retention and expansion of existing and attraction of new industrial uses that provide job opportunities for the City's residents... some existing industrially zoned lands may be inappropriate for new industries and should be converted for other land uses. Where such lands are to be converted, their appropriate use shall be the subject of future planning studies. Policies provide for the consideration of a broader array of uses within the industrial zones than has traditionally been acceptable to facilitate the clustering of uses.*

**Policy 3.14.6:** *Consider the potential re-designation of marginal industrial land for alternative uses by amending the community plans based on the following criteria:*

- a. Where it can be demonstrated that the existing parcelization precludes effective use for industrial or supporting functions and where there is no available method to assemble parcels into a unified Site that will support viable industrial development;*
- b. Where the size and/or the configuration of assembled parcels are insufficient to accommodate viable industrial development;*

- c. Where the size, use, and/or configuration of the industrial parcels adversely impact adjacent residential neighborhoods;*
- d. Where available infrastructure is inadequate and improvements are economically infeasible to support the needs of industrial uses;*
- e. Where the conversion of industrial lands to an alternative use will not create a fragmented pattern of development and reduce the integrity and viability of existing industrial areas;*
- f. Where the conversion of industrial lands to an alternative use will not result in an adverse impact on adjacent residential neighborhoods, commercial districts, or other land uses;*
- g. Where it can be demonstrated that the reduction of industrial lands will not adversely impact the City's ability to accommodate sufficient industrial uses to provide jobs for the City's residents or incur adverse fiscal impacts; and/or*
- h. Where existing industrial uses constitute a hazard to adjacent residential or natural areas.*

The proposed General Plan Amendment would change an industrial land use to a commercial land use designation. The Regional Commercial land use designation would allow for the development of new residential uses on the Project Site. As indicated in the Economic Development Chapter of the Framework Element, some existing industrially zoned lands may be inappropriate for new industries and should be converted for other land uses. Where such lands are to be converted, their appropriate use shall be the subject of future planning studies. This is satisfied in several ways.

First, the entire project approval process, including the CEQA process, the entitlement process, and the various points therein for public comment form a planning study themselves. The CEQA process included an Environmental Impact Report, which assessed the surrounding land uses, as well as an analysis of the proposed land use in relation to the General Plan and the LA CEQA Guidelines threshold for land use compatibility. The entitlement process further analyzed in detail the Goals and Policies of the General Plan, and demonstrated that the project met the overall intent of the General Plan. As demonstrated therein, the land use pattern in the immediate neighborhood of the subject property has evolved from its historic industrial and manufacturing uses to light industrial and manufacturing uses and new technologies along with compatible and complementary non-industrial uses including residential, creative office, and related retail / cultural / entertainment uses, reflecting larger employment and economic trends.

Second, in or about 2007, the Department of City Planning Department and Community Redevelopment Agency formulated an Industrial Land Use Policy (ILUP) that was intended to preserve certain industrially-zoned land in the City for industrial use. The ILUP addressed multiple areas of the City, among them the "Greater Downtown," which would encompass the Project Site. The Project Site is located within Analysis Area 2 of the ILUP. The ILUP Map for Analysis Area 2 shows that the Project Site land use at the time was predominantly "retail," which is similar to current conditions on the Project Site today. The Project Site is no longer being fully utilized for industrial-related purposes, as it currently incorporates residential live/work uses and arts production uses.

Since 2008, a number of other planning and policy studies have been undertaken involving industrial land use policy. For example, since 2014, the City began undertaking DTLA 2040, which involves an update of the Central City and Central City North Community Plans and would modify the land use designations and zoning for Downtown Los Angeles. DTLA 2040 is currently in the environmental review process. The Project Site is proposed to be designated "Hybrid Industrial (HI)" under the DTLA 2040 Draft Plan. According to the Draft Plan, Hybrid Industrial areas preserve productive activity and prioritize space for

employment, including light industrial, new industry, commercial, and vertically integrated businesses, with careful introduction of live-work uses.

The Project is proposing re-designation of industrial land. However, development of the Project would not result in a fragmented pattern of development because it would not physically divide an established community. Specifically, the surrounding urban environment includes a gas station, retail, residential uses, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. The immediate vicinity includes existing residential uses located on land that is designated and zoned for industrial uses but have received Zoning Administrator determinations or ministerial permits through the adaptive reuse ordinance to operate. The residential uses close to the Project Site include the four-story Barker Block Residences, located southwest at 510 Hewitt Street, and the Beacon Lofts, located to the north at 825 East 4th Street. To the southeast at the corner of 5<sup>th</sup> Street and Hewitt Street are a restaurant, a tow service parking lot, and the half-acre Arts District Park. The park sits immediately north of the La Kretz Innovation Campus, a 60,000-square-foot facility, which serves as an incubator for local startups in the cleantech industry. Given this mix of immediately adjacent uses, the conversion of industrial lands to a mix of live/work residential, and job producing art gallery, production, hotel, and commercial spaces, will be compatible and complementary, and will not result in an adverse impact on adjacent residential neighborhoods, commercial districts, or other land uses. Additionally, development of the Project would therefore not result in a fragmented pattern of development.

According to the Central City North Community Plan, there are 914 acres planned for industrial use (approximately 45.5 percent of the 2,010 acre total) in the Community Plan area. The Project Site comprises 1.05 acres or approximately 0.1 percent of the industrially-zoned land in the Community Plan area. The Project would result in an increase of 241 jobs onsite and would generate substantial ongoing revenue to the City in the form of sales and property taxes. Therefore, the Project would not adversely impact the City's ability to accommodate sufficient industrial uses to provide jobs for the City's residents or cause the City to incur adverse fiscal impacts. Furthermore, for this specific site, based on the immediately surrounding uses and the Project Site's smaller 1.05-acre parcel, the Project Site is not suited to a large-scale industrial operation. Therefore, the Project would not conflict with this policy.

In sum, the Project is consistent with the directions relative to industrial land set forth in the Framework Element in that it will provide for a mix of job-producing uses that are allowed for in industrial zones, along with the careful introduction of live/work uses, as is recognized in the adopted Central City North Community Plan Artists-in-Residence District, and current DTLA 2040 Draft Plan. The proposed uses are compatible with and complement the existing mix of industrial, live/work, arts production, and retail uses within the immediately surrounding area.

#### Chapter 4: Housing

The Project will be consistent with the relevant goals and objectives of the Framework Element (Chapter 4), including the following:

**Goal 4A:** *An equitable distribution of housing opportunities by type and cost accessible to all residents of the City.*

**Objective 4.1:** *Plan the capacity for and develop incentives to encourage production of an adequate supply of housing units of various types within each City subregion to*

*meet the projected housing needs by income level of the future population to the year 2010.*

***Objective 4.2:*** *Encourage the location of new multi-family housing development to occur in proximity to transit stations, along some transit corridors, and within some high activity areas with adequate transitions and buffers between higher-density developments and surrounding lower-density residential neighborhoods.*

As proposed, the Project will provide 129 live/work residential units, of which 11%, or 15 units, of the total dwelling units would be set aside for Very Low Income households, thereby providing a range of housing opportunities by type and cost and supporting the production of an adequate supply of housing. The development is located within an infill area in proximity to high-activity employment centers, entertainment, and amenities within the Downtown area, providing the future residents with convenient access to employment centers. The Project would not encroach on low-density residential neighborhoods. Access to public transit is provided throughout Downtown, including the Metro Gold Line Little Tokyo/Arts District Station, located approximately 0.5 miles from the Project Site.

### Chapter 7: Economic Development

The Project's consistency with the relevant goals, objectives, and policies in the of the Framework Element (Chapter 7), is provided below:

***Goal 7B:*** *A City with land appropriately and sufficiently designed to sustain a robust commercial and industrial base.*

***Objective 7.2:*** *Establish a balance of land uses that provides for commercial and industrial development which meets the needs of local residents, sustains economic growth, and assures maximum feasible environmental quality.*

***Policy 7.2.2:*** *Concentrate commercial development entitlements in areas best able to support them, including community and regional centers, transit stations and mixed-use corridors. This concentration prevents commercial development from encroaching on existing residential neighborhoods.*

***Policy 7.2.6:*** *Concentrate office development in regional mixed-use centers, around transit stations, and within community centers.*

***Policy 7.2.8:*** *Retain the current manufacturing and industrial land use designations, consistent with other Framework Element policies, to provide adequate quantities of land for emerging industrial sectors.*

As mentioned above, the Project would redevelop the Site with a mixed-use development comprised of 129 live/work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. As mentioned above, the Project would provide for a mix of job-producing uses that are allowed for in industrial zones, along with the careful introduction of live/work uses, as is recognized in the adopted Central City North Community Plan Artists-in-Residence District, and DTLA 2040 Draft Plan. The Project would provide a balance of uses that provides for productive commercial development including art production, art gallery, hotel, and retail, restaurant uses that would result in an increase of 241 jobs onsite and would generate substantial ongoing revenue to the City in the form of sales and property taxes.

The proposed uses are compatible with and complement the existing mix of industrial, live/work, arts production, and retail uses within the immediately surrounding area. The development is located within an infill area in proximity to high activity employment centers, entertainment, and amenities within the Downtown Center. The Project would not encroach on low-density residential neighborhoods. Access to public transit is provided throughout Downtown, including the Metro Gold Line, located approximately 0.5 miles from the Project Site. While the Project is not consistent with Policy 7.2.8, which speaks to retaining the current manufacturing and industrial land use designations, the Project is retaining job-producing uses that will sustain economic growth and a robust commercial base, is being implemented in an area where similar uses currently exist, and satisfies numerous other policies with the provision of new housing and productive commercial uses within proximity to existing activity centers and transit.

**Goal 7C:** *A City with thriving and expanding businesses.*

**Objective 7.3:** *Maintain and enhance the existing businesses in the City.*

**Policy 7.3.2:** *Retain existing neighborhood commercial activities within walking distance of residential areas.*

**Policy 7.3.3:** *Prioritize the retention and renewal of existing industrial businesses.*

The Project will be consistent with the above goals, objectives and policies because it will provide 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms, thus supporting a City with thriving and expanding businesses. These commercial activities would be sited in proximity to existing residential and employment centers in the nearby Downtown Center, as well as to the proposed residential uses on-site and within walking distance to existing residential buildings nearby, such as the Barker Building and Beacon Lofts. The proposed mix of productive uses would support the goal of a City with a renewed and enhanced base of expanding businesses in a manner that is complementary to the existing mix of uses immediately surrounding the Project Site.

**Goal 7G:** *A range of housing opportunities in the City.*

**Objective 7.9:** *Ensure that the available range of housing opportunities is sufficient, in terms of location, concentration, type, size, price/rent range, access to local services and access to transportation, to accommodate future population growth and to enable a reasonable portion of the City's work force to both live and work in the City.*

**Policy 7.9.1:** *Promote the provision of affordable housing through means which require minimal subsidy levels and which, therefore, are less detrimental.*

As recommended, the Regional Commercial land use designation and C2 Zone would enable the redevelopment of the site with 129 live/work residential uses, with 15 units, or 11% of the total provided dwelling units, to be set aside for Very Low Income households. By enabling the construction of a supply of both market-rate and covenanted affordable housing in proximity to jobs and services, the Proposed Project would be consistent with the above listed goals, objectives and policies of the Framework Element.

### **Housing Element.**

The Housing Element 2013-2021 was adopted on December 3, 2013 and identifies the City's housing conditions and needs, and establishes the goals, objectives and policies that are the foundation of the City's housing and growth strategy. The proposed project would be in conformance with the objectives and policies of the Housing Element as described below.

- Goal 1:** Housing production and preservation.
- Objective 1.1** Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.
- Policy 1.1.2:** Expand affordable rental housing for all income groups that need assistance.
- Policy 1.1.3:** Facilitate new construction and preservation of a range of different housing types that address the particular needs of the City's households.
- Goal 2:** Safe, Livable, and Sustainable Neighborhoods.
- Objective 2.1:** Promote safety and health within neighborhoods.
- Objective 2.3:** Promote sustainable buildings, which minimize adverse effects on the environment and minimize the use of non-renewable resources.
- Policy 2.3.3:** Promote and facilitate the reduction of energy consumption in new and existing housing.

As recommended, the Regional Commercial land use designation and C2 Zone would enable the redevelopment of the site with 129 live/work residential uses, with 15 units, or 11% of the total provided dwelling units, to be set aside for Very Low Income households. As such, the Project would support goals and objectives to provide an adequate supply of a range of housing types and affordability levels, to meet current and projected needs.

Additionally, the Project would promote sustainable buildings and the reduction of energy consumption. The Project will comply with applicable provisions of the CALGreen Code and the Los Angeles Green Building Code, which will serve to reduce the Project's energy usage. Furthermore, as proposed and conditioned, a minimum of 20 percent of the total code-required parking spaces will be capable of supporting future electric vehicle supply equipment (EVSE), and five (5) percent of the total code-required parking spaces will be equipped with EV chargers. Additionally, the exterior of the proposed structures will be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films), brick, and metal to minimize glare and reflected heat. The exterior printed artwork on the residential portion of the Project will not utilize highly reflective materials. The Project would be clad in a photovoltaic curtain wall that surrounds the residential façade of the building, and 15% of the rooftop area would be set aside as a solar panel area.

### **Mobility Plan 2035.**

The Mobility Element of the General Plan is not likely to be affected by the recommended action herein. The proposed project, with the requested General Plan Amendment and Vesting Zone Change, proposes to construct a new 12-story mixed-use building on the northern side of East 5<sup>th</sup> Street between Seaton Street and Colyton Street. East 5<sup>th</sup> Street, Seaton Street, and Colyton Street are designated as a Collector Streets by the Mobility Plan. Bureau of Engineering is requiring 4-foot dedications on the Project's street frontages, consistent with the Industrial Collector designation. The project will be required to dedicate and improve the public right-of-way to the satisfaction of the Bureau of Engineering, or, as further discussed above in this report, as approved and conditioned by the Advisory Agency in conjunction with the approval of Vesting Tentative Tract Map No. 74703, the Applicant has the option to implement dedications and improvements consistent Arts District Center Street Improvements Diagram attached thereto, in the event that it is approved by the full City Council, or if processed and approved through Bureau of Engineering B-Permit Case Management, in lieu of the dedications stated above.

### **Health and Wellness Element and Air Quality Element.**

Policy 5.1 and 5.7 of the Plan for a Healthy LA, the Health and Wellness Element, and Policy 4.2.3 of the Air Quality Element are policy initiatives related to the reduction of air pollution and greenhouse gases. The Project will comply with applicable provisions of the CALGreen Code and the Los Angeles Green Building Code, which will serve to reduce the Project's energy usage. Furthermore, as proposed and conditioned, a minimum of 20 percent of the total code-required parking spaces will be capable of supporting future electric vehicle supply equipment (EVSE), and five (5) percent of the total code-required parking spaces will be equipped with EV chargers. Additionally, the exterior of the proposed structures will be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films), brick, and metal to minimize glare and reflected heat. The exterior artwork on the residential portion of the Project will not utilize highly reflective materials. The Project would be clad in a photovoltaic curtain wall that surrounds the residential façade of the building, and 15% of the rooftop area would be set aside as a solar panel area. As conditioned, the Project would be consistent with the aforementioned policies, as well as Policy 5.1.2 of the Air Quality Element, by ensuring that future developments are energy efficient and shift to efficient and non-polluting sources of energy. The solar-panel roof space and EV-parking are also good zoning practices because they provide a convenient service amenity to the occupants or visitors who utilize electricity on site for other functions. As such, the Project provides service amenities to improve habitability for future residents of the Project and to minimize impacts on neighboring properties. Taken together, the conditions would provide for the public welfare and public necessity by reducing the level of pollution or greenhouse gas emissions to the benefit of the neighborhood and the City.

### **Land Use Element – Central City North Community Plan.**

The development of the Project would support the overarching goals of the Central City North Community Plan. The proposed development furthers the following Community Plan objectives and policies:

#### **Residential**

**Objective 1-1:** To provide for the preservation of existing housing and for the development of new housing to meet the diverse economic and physical needs of the

existing residents and projected population of the Central City North Plan area to the year 2010.

**Objective 1-2:** To locate new housing in a manner which reduces vehicular trips and makes it accessible to services and facilities.

**Policy 1-2.1:** Encourage multiple residential development in commercial zones.

**Policy 1-3.1:** Seek a high degree of architectural compatibility and landscaping for new infill development to protect the character and scale of existing residential neighborhoods.

**Policy 1-3.2:** Consider factors such as neighborhood character and identity, compatibility of land uses, impact on livability, impacts on services and public facilities, and impacts on traffic levels when changes in residential densities are proposed.

**Objective 1-4:** To promote and insure the provision of adequate housing for all persons regardless of income, age, or ethnic background.

**Policy 1-4.1:** Promote greater individual choice in type, quality, price, and location of housing.

**Policy 1-4.2:** Ensure that new housing opportunities minimize displacement of the existing residents.

The Project would support the above housing-related objectives and policies of the Community Plan through the provision of 129 new live/work residential units on a Site that currently provides 10 live/work residential units. 15 units, or 11% of the total provided dwelling units, would be restricted to Very Low Income households. The live/work units would include space for productive work activities, and include a mix of one- and two-bedroom units of varying sizes. As a result, the Project will develop new housing to meet the diverse economic and physical needs of the existing and projected future population of the Community Plan Area, and would promote individual choice in the available type, quality, and price of housing. These new units would be provided within the proposed C2 Commercial Zone. By providing 129 new units on a Site that currently contains 10 units, the Project would increase housing stock while substantially minimizing, although not completely avoiding, the displacement of existing residents.

The Project would locate new housing in an area that is accessible to existing and proposed services and facilities, reducing the number and length of vehicular trips. The area surrounding the Project Site is urbanized and is characterized by a mix of industrial, commercial and retail, and residential uses contained in low-rise and mid-rise buildings of varying age. The development is located within an infill area in proximity to high activity employment centers, entertainment, and amenities within the Downtown Center. The range of uses in the immediately surrounding area, proximity to the Downtown core and public transportation, including the Metro Gold Line 0.5-miles to the north, would reduce vehicular trips and facilitate the accessibility of services and employment centers to the residents, employees, patrons, and guests of the Project.

The Project is proposed to reach 12-stories and a maximum height of 164 feet. Although notably taller than existing immediately surrounding structures, the design of the Project incorporates elements to reflect the existing neighborhood character and identity, and promote architectural compatibility. The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the

materials and massing of the surrounding build environment, creating an engaging pedestrian experience along street frontages. The upper floor exteriors would be covered by glass paneling printed with contemporary artwork. The hotel portion of the building would be clad with a continuous window wall glass façade, featuring a varied pastel color palette. These proposed distinctive textures, colors, materials, and architectural features add visual interest and reinforce neighborhood identity.

### Commercial

**Objective 2-1:** To conserve and strengthen viable commercial development in the community and to provide additional opportunities for new commercial development and services.

**Policy 2-1.1:** New commercial uses shall be located in existing established commercial areas or existing shopping centers.

**Policy 2-1.4:** Require that projects be designed and developed to achieve a high level of quality, distinctive character, and compatibility with existing uses and development.

**Objective 2-2:** To attract uses which strengthen the economic base and expand market opportunities for existing and new businesses.

**Policy 2-2.2:** New development needs to add to and enhance the existing pedestrian street activity.

**Policy 2-2.3:** Require that the first floor street frontage of structures, including mixed use projects and parking structures located in pedestrian oriented districts, incorporate commercial uses.

**Policy 2-3.4:** Require that the first floor street frontage of structures, including mixed use projects and parking structures located in pedestrian oriented areas incorporate commercial uses.

**Policy 2-4.2:** Preserve community character, scale, and architectural diversity.

**Policy 2-4.3:** Improve safety and aesthetics of parking areas in commercial areas.

### Industrial

**Goal 3:** Sufficient land for a variety of industrial uses with maximum employment opportunities which are safe for the environment and the work force and which have minimal adverse impact on adjacent uses.

**Objective 3-1:** To provide for existing and future industrial uses which contribute job opportunities for residents and which minimize environmental and visual impacts to the community.

**Objective 3-2:** Encourage the continued development and maintenance of the artists-in-residence community in industrial areas of the proposed redevelopment plan areas and of the plan, as appropriate.

**Policy 3-2.1:** Support the existing artists-in-residence in Central City North as a cultural resource for the community.

**Objective 3-3:** To retain industrial plan designations to maintain the industrial employment base for community residents and to increase it whenever possible.

The Project would support the Community Plan's overall goals, objectives and policies relative to commercial and industrial land uses. The Project's 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms will strengthen viable commercial development, provide opportunities for new commercial development and services, and will strengthen the economic base and expand market opportunities for existing and new businesses. These commercial activities would be sited in proximity to existing residential and employment centers in the nearby Downtown Center, as well as to existing nearby residential uses. Parking will be fully provided in subterranean levels, improving the safety and aesthetics of parking areas in commercial areas. The mixed-use Project's ground-floor street frontage will incorporate retail and restaurant uses, with design features such as transparent storefront glass that will enhance the existing pedestrian street activity.

According to the Central City North Community Plan, there are 914 acres planned for industrial use (approximately 45.5 percent of the 2,010 acre total) in the Community Plan area. The Project Site comprises 1.05 acres or approximately 0.1 percent of the industrially-zoned land in the Community Plan area. The Project would result in an increase of 241 jobs onsite via productive commercial, retail, and art gallery and production uses, and would generate substantial ongoing revenue to the City in the form of sales and property taxes. Therefore, the Project would not adversely impact the ability of the Community Plan Area to provide sufficient land for a variety of industrial uses with maximum employment opportunities which are safe for the environment and the work force and which have minimal adverse impact on adjacent uses. Furthermore, for this specific site, based on the immediately surrounding uses and the Project Site's smaller 1.05-acre parcel, the Project Site is not well-suited to a large-scale industrial operation, and is no longer fully used for industrial purposes, as it currently incorporates live/work units as well as retail and art-production uses.

Furthermore, the Community Plan states that "the industrial sector is characterized by smaller parcels, piecemeal development, and substandard streets, restricting the potential for site expansion required by newer industries. In spite of these disadvantages, the industrial sector needs to be encouraged and protected, and "attempts should be made to attract new employment generating industries." The Project's provision of productive, employment-generating uses would support this intent.

Although in order to provide the proposed 129 live/work residential units the Project would not retain the current industrial land use designation, the Project is retaining job producing uses that will maximize employment opportunities which are safe for the environment and the work force and which have minimal adverse impact on adjacent uses. Specifically, the surrounding urban environment includes a gas station, retail, residential uses, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. The Arts District Park is also located within a block to the southeast of the Project Site. The proposed uses are compatible with and complement the existing mix of industrial, live/work, arts production, and retail uses within the immediately surrounding area. The Project would result in an increase of 241 jobs onsite and would generate substantial ongoing revenue to the City in the form of sales and property taxes. The Project would provide a balance of uses that provide for productive commercial development including art production, art gallery, hotel, and retail, restaurant uses.

The Project is located in the Artists-in-Residence District as identified by the Community Plan. Through the provision of 129 live/work units, which include productive as well as

residential components, and through the on-site provision of art gallery space and collaborative artist production space, the Project and proposed General Plan Amendment would encourage the continued development and maintenance of the artists-in-residence community in industrial areas of the plan, and through these new available live/work units and art spaces, support the artists-in-residence area in Central City North as a cultural resource for the community.

The Central City North Community plan further states that it “encourages the continued and expanded development of a thriving artists-in-residence community in the plan and proposed redevelopment areas,” and notes as an opportunity for “potential for artists-in-residence buildings to locate within industrially zoned areas of the plan.” The Project’s live/work units, art gallery and artist collaborative space would support these provisions of the Community Plan.

In sum, the Project is consistent with the directions relative to the above commercial and industrial policies in that it will provide for a mix of job-producing uses that are allowed for in industrial zones, along with the careful introduction of live/work uses, as is recognized in the adopted Central City North Community Plan Artists-in-Residence District, and DTLA 2040 Draft Plan. The proposed uses are compatible with and complement the existing mix of industrial, live/work, arts production, and retail uses within the immediately surrounding area.

For the reasons discussed above, the Project will be consistent with the overarching goals, objectives, and policies of the Central City North Community Plan.

### **Sewerage Facilities Element.**

The Sewerage Facilities Element of the General Plan will not be affected by the recommended action. The sewer system will be able to accommodate the total flows for the proposed project, further detailed gauging and evaluation may be needed as part of the permit process to identify a specific sewer connection point. If the public sewer has insufficient capacity then the developer will be required to build sewer lines to a point in the sewer system with sufficient capacity. A final approval for sewer capacity and connection permit will be made at that time. Ultimately, this sewage flow will be conveyed to the Hyperion Treatment Plant, which has sufficient capacity for the project.

3. **Charter Finding – City Charter Finding 555.** The General Plan may be amended in its entirety, by subject elements or parts of subject elements, or by geographic areas, provided that the part or area involved has significant social, economic or physical identity.
  - a. **Amendment in Whole or in Part.** The General Plan Amendment before the City Planning Commission represents an Amendment in Part of the Central City North Community Plan, representing a change to the social, physical and economic identity of Project Site, which is currently designated as Heavy Industrial and zoned M3-1-RIO. The Project’s initiated General Plan Amendment from Heavy Industrial to Regional Commercial, and recommended Vesting Zone Change and Height District Change from M3-1-RIO to (T)(Q)C2-2-RIO will allow for the proposed mix of live/work residential, commercial, and hotel uses, supporting the City’s efforts to provide housing in appropriate infill locations near existing activity centers, while retaining complementary employment and production uses.

The Project Site has its own social, physical and economic identity in that it is comprised of six contiguous parcels totaling approximately 45,721 square feet of lot area (1.05 acres), and is currently improved with a 91,200 square foot two-story brick

building used for light industrial/art production uses and 10 live/work units, located in the Artists-in-Residence district of the Central City North Community Plan Area. The adopted Central City North Community Plan notes that the AIR District is “primarily made up of old warehouses now converted to artists lofts and studios,” and that “the Central City North Community plan encourages the continued and expanded development of a thriving artists-in-residence community in the plan and proposed redevelopment areas.” The Project Site is immediately surrounded by a mix of industrial uses, a gas station, residential uses, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. The proposed uses are compatible with and complement the existing mix of industrial, live/work, arts production, and retail uses within the immediately surrounding area.

The Project Site’s location will help the City achieve land use goals of increasing density near transit and existing activity centers. The Project Site is located within a Transit Priority Area, and located within 0.5 miles of the Metro Gold Line Arts District/Little Tokyo Station. The Project represents an opportunity to provide new housing for a mix of incomes, hotel uses, and jobs-producing commercial uses including retail, restaurants, art gallery, and collaborative arts production spaces, which will provide uses that are compatible and complementary to the immediate area. The Project appropriately locates needed residential density near transit, jobs, entertainment, and services within Downtown, creates new commercial uses for the neighborhood, and promotes pedestrian activity in the general vicinity.

The Arts District is a neighborhood of Downtown Los Angeles that has historically been characterized by industrial, warehousing, and distribution uses, and is an important part of the City’s physical identity. The General Plan Amendment will allow the Project Site to contribute commercial, live/work residential, retail, and restaurant uses to strengthen the economic identity of the surrounding area, which currently includes a mix of industrial, residential, commercial, retail and restaurant uses ranging from low-rise to medium-rise buildings. The Amendment will allow new development to bring a mix of uses that will result in an active street life, while also maintaining productive arts-oriented uses on the Project Site, thereby contributing to the conservation of the significant economic identity of the Site while introducing new commercial and residential uses that contribute to the significant social and physical identity of the district.

Although the site, as well as a number of other properties in the immediate area, are designated for heavy industrial uses, the immediate vicinity is characterized by a mix of industrial uses, a gas station, residential uses within the Community Plan’s Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings. The Project Site itself is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses, which are not uncommon in the immediate area. Nearby residential buildings include the Barker Block and Beacon Lofts.

Redesignating the land use of the project site reinforces an area that has its own economic and physical identity in the form of: 1) contributing to the available housing stock within the City and towards alleviating the housing crisis in the City, 2) furthering the General Plan Land Use Element’s policies to focus development in areas that are accessible to existing activity centers and transit, providing compatible and complementary live/work and economically productive uses in the immediate area around the Project Site, which supports the provisions of the Central City North Community Plan.

Therefore, staff recommends that the General Plan be amended in part through the Central City North Community Plan as the Proposed Project will contribute to and strengthen an area which has significant social, economic or physical identity.

- 4. Charter Finding - City Charter Finding 556.** When approving any matter listed in Section 556, the City Planning Commission and the Council shall make findings showing that the action is in substantial conformance with the purposes, intent and provisions of the General Plan.

The Project Site is located within the Central City North Community Plan area, which is one of the 35 community plans that comprise the Land Use Element of the General Plan. The Community Plan designates the site with a land use designation of Heavy Industrial which lists the corresponding zone of M3. The site is presently zoned M3-1-RIO, which is consistent with the existing land use designation. As recommended, the amendment would re-designate the Project Site from Heavy Industrial to Regional Commercial. The amendment of the land use designation, in conjunction with the recommended vesting zone and height district change to (T)(Q)C2-2-RIO, would allow the redevelopment of the site with a new mixed-use project comprised of 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms.

The site is located within an immediate area that is designated and zoned for manufacturing uses, but has been developed and continually utilized with a mixture of residential, commercial, and manufacturing uses. The Project Site is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses. The project site has been adaptively reused for residential purposes since approximately 1992. The Project is consistent with the land use patterns and uses in the immediate area, which is developed with a variety of commercial, residential, and live-work projects on properties zoned for industrial uses. Further, the 1.05-acre Project Site is not well-suited to modern large-scale industrial operations. The Site is located within the boundary of the Artists-in-Residence (AIR) District as identified in the adopted Central City North Community Plan. The adopted Central City North Community Plan notes that the AIR District is “primarily made up of old warehouses now converted to artists lofts and studios,” and that “the Central City North Community plan encourages the continued and expanded development of a thriving artists-in-residence community in the plan and proposed redevelopment areas.” The Project’s proposed uses that would be implemented by the proposed General Plan Amendment and Vesting Zone Change are generally consistent with the overarching vision of the adopted Community Plan.

As detailed in Finding No. 2 above, the initiated General Plan Amendment complies with Los Angeles City Charter Section 556 in that it is in substantial conformance with the purposes, intent and provision of the General Plan and its elements, including the Framework Element, Housing Element, Mobility Element, Health and Wellness Element and the Land Use Element – Central City North Community Plan, as the Project would increase housing choices at varying income levels and different unit types; introduce new land uses while providing complementary economically productive uses; and enhance the pedestrian environment by activating ground floor uses, within proximity to transit and existing employment, amenity, and commercial centers within and around the Downtown Center.

- 5. Charter Finding – City Charter Finding 558.** The proposed Amendment to the Central City North Community Plan will be in conformance with public necessity, convenience, general welfare and good zoning practice.

Public Necessity, Convenience, and General Welfare.

The recommended amendment to the Central City North Community Plan would re-designate the land use designation of the Project Site from Heavy Industrial to Regional Commercial. In conjunction with the recommended amendment, the recommended Vesting Zone Change and Height District Change from M3-1-RIO to (T)(Q)C2-2-RIO would permit the development of the Project Site with a new 12-story mixed-use project comprised of 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms. As the existing land use designation and zone would not permit new residential development, the amendment is necessary to allow for the Project, although the site is currently used in part for live/work residential purposes.

On April 8, 2015, Mayor Eric Garcetti released the Sustainable City pLAn, a roadmap to achieve short-term results while setting the path to strengthen the transformation of the City in the decades to come. As part of the plan, the Mayor set forth a goal of creating 100,000 new housing units by 2021. This same goal was carried forward in the Green New Deal Sustainable City pLAn 2019. The proposed amendment would allow the site to be redeveloped and to provide 129 live/work residential units, including 15 units restricted to Very Low Income households. The Project would be an infill development within an immediate vicinity that is developed with a mixture of residential, commercial, and light manufacturing uses. The Project Site is immediately surrounded by a mix of industrial uses, a gas station, residential uses, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. As described by the Community Plan, the area includes several old warehouses now converted to artist lofts and studios. The Project Site itself is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses.

As previously discussed, the existing building was constructed in 1915. As the existing building encompasses the entire site, there is no outdoor open space provided on the site. The proposed building would provide 22,500 square feet of open space, which would include new landscaping, third-floor and roof terraces, and planting of trees. As proposed, the Project would improve the livability and general welfare of the future residents of the development. The Project that will further promote foot traffic through the use of a strong street wall with ground-floor commercial uses, and a large landscaped pedestrian area at the center of the Project Site at the entrance to the porte cochere.

The Project would place new housing in close proximity to employment, amenity, and commercial areas within the immediate vicinity as well as within the greater Downtown core, as well as near public transit. The Project locates needed residential density near existing employment centers, entertainment, and services, and transit, creates new retail, restaurant, and art gallery uses for the neighborhood, and promotes pedestrian activity in the general area.

Approval of the initiated General Plan Amendment from Heavy Industrial to Regional Commercial would allow the Proposed Project to help address the City's housing shortage and need for affordable housing by providing a mixed-income, mixed-use residential development. In addition, the Proposed Project would make more efficient use of land by adding density while still providing employment and arts production uses. The Proposed Project would accommodate projected population growth in the area, while being compatible with its surrounding uses. Accordingly, the initiated General Plan Amendment would be in conformity with public necessity, convenience, and general welfare.

### Good Zoning Practice

The Project Site is designated by the Community Plan for Heavy Industrial land uses and is zoned M3-1-RIO. This zoning is consistent with the existing land use designation. Although the site, as well as a number of other properties in the immediate area, are designated for heavy industrial uses, the immediate vicinity is characterized by a mix of industrial uses, a gas station, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings. The Project Site itself is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses, which are not uncommon in the immediate area. Nearby residential buildings include the Barker Block and Beacon Lofts.

The proposed amendment would allow for the Project to contribute to alleviating the City's housing shortage through the provision of 129 live/work units, which retain an economic production component, 15 of which would be restricted to Very Low Income households. As the surrounding area is developed with a mixture of residential, commercial, and light manufacturing uses, the Project would introduce a complementary and compatible use with the range of uses that exist in the vicinity. Immediately to the south of the Project Site across East 5<sup>th</sup> Street, an eight-story mixed-use project is proposed at 1100 East 5<sup>th</sup> Street. The pedestrian entrance to the Project's port cochere has been expanded, landscaped and realigned to abut an anticipated mid-block pedestrian paseo in the 1100 East 5<sup>th</sup> Street project site, thereby enhancing pedestrian connections through the vicinity south of the Site. A block to the northeast, a 12-story retail and office building is proposed on the surface parking areas that surround the Architecture and Design Museum at 4th Street and Hewitt Street. Therefore, the Project would also be compatible with proposed developments on nearby properties.

As proposed, the Project will provide new housing for a mix of incomes, and will offer amenities that would improve the quality of life for existing and future residents as well as the surrounding community. The General Plan Amendment will result in a project that will retain a productive employment-generating uses on the site that complement existing uses in the vicinity, while also providing much-needed residential units with commercial land uses on the ground level. The Project promotes a more walkable lifestyle by locating commercial and residential uses within proximity of transit and existing job centers and services. Furthermore, as described in Finding No. 2, the amendment would allow the development of the site with a residential use that is consistent with the objectives and policies of the Community Plan and is compatible with the existing and proposed development of the surrounding area. Therefore, the initiated General Plan Amendment to Regional Commercial would be in conformity with good zoning practices and with development patterns in the immediate area.

## ENTITLEMENT FINDINGS

1. **Vesting Zone Change, Height District Change, and "T" and "Q" Classification Findings.**
  - a. Pursuant to Section 12.32 C of the Los Angeles Municipal Code (LAMC), and based on these findings, the recommended action is deemed consistent with public necessity, convenience, general welfare and good zoning practice.

Public Necessity. The subject property is currently designated and zoned for Heavy Industrial, which prohibits residential uses. The recommended amendment to the Central City North Community Plan would re-designate the land use designation of the Project Site from Heavy Industrial to Regional Commercial. The recommended Vesting Zone

Change and Height District Change from M3-1-RIO to (T)(Q)C2-2-RIO would permit the development of the Project Site with a new 12-story mixed-use project comprised of 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms. As the existing land use designation and zone would not permit new residential development, the plan amendment is necessary to permit the redevelopment of the Site.

On April 8, 2015, Mayor Eric Garcetti released the Sustainable City pLAn, a roadmap to achieve short-term results while setting the path to strengthen the transformation of the City in the decades to come. As part of the plan, the Mayor set forth a goal of creating 100,000 new housing units by 2021. This same goal was carried forward in the Green New Deal Sustainable City pLAn 2019. The proposed amendment would allow the site to be redeveloped and to provide 129 live/work residential units, including 15 units restricted to Very Low Income households, supporting the City's housing goals. The Project would be an infill development within an immediate vicinity that is developed with a mix of industrial uses, a gas station, residential uses, restaurants, and commercial uses contained in low-rise and mid-rise buildings of varying age. As described by the Community Plan, the area includes several old warehouses now converted to artist lofts and studios. The Project Site is located in proximity to existing and proposed residential uses, including the Barker Block, Beacon Lofts, and a proposed eight-story mixed-use residential project located at 1100 East 5<sup>th</sup> Street, across 5<sup>th</sup> Street from the Project Site. The Project Site itself is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses. Accordingly, the proposed Vesting Zone Change and Height District Change would be in conformity with public necessity.

Convenience. Approval of the Vesting Zone and Height District Change would permit the development of the Project Site with a new 12-story mixed-use project comprised of 129 live/work residential units, 81,326 square feet of retail, restaurant, artist production, and art gallery space, and 113 hotel rooms. The Project would place housing within close proximity to employment, amenity, and commercial areas within the immediate vicinity as well as within the greater Downtown core, and near public transit. In addition, as previously discussed, as the existing building encompasses the entire site, there is no outdoor open space provided on the site. The proposed building would provide 22,500 square feet of open space, which would include new landscaping, third-floor and roof terraces, and planting of trees. As proposed, the Project would improve the livability and general welfare of the future residents of the development. The Project that will further promote foot traffic through the use of a strong street wall with ground-floor commercial uses, and a large landscaped pedestrian area at the center of the Project Site at the entrance to the porte cochere.

In sum, the Project locates needed residential density near existing employment centers, entertainment, and services, and transit. The Project creates new retail, restaurant, and art gallery uses for the neighborhood, and promotes pedestrian activity in the general area. Accordingly, the proposed Zone Change would be in conformity with the public convenience.

#### General Welfare.

Approval of the requested Vesting Zone and Height District Change would allow the development of an infill site with 129 multi-family live/work units that would contribute to alleviating the City's housing shortage. As there are currently 10 live/work units on the Project Site, the Project would result in a net gain of 119 units while minimizing displacement of existing residents. 15 units, or 11% of the total units provided, would

be set aside for Very Low Income households, helping to address the City's need for affordable housing. In addition, the Proposed Project would make efficient use of land by adding density while still providing employment and arts production uses, to the benefit of the future on-site residents as well as the existing neighborhood. The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the materials and massing of the surrounding build environment, and will enhance the pedestrian experience along street frontages. The Proposed Project would thus accommodate projected population growth in the area, while being compatible with its surrounding uses. Accordingly, the initiated General Plan Amendment would be in conformity with public necessity.

#### Good Zoning Practice.

The Project Site is designated by the Community Plan for Heavy Industrial land uses and is zoned M3-1-RIO. This zoning is consistent with the existing land use designation. Although the site, as well as other properties in the immediate area, are designated for heavy industrial uses, the immediate vicinity is characterized by a mix of industrial uses, a gas station, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings. The Project Site itself is no longer being fully utilized for industrial related purposes, as it currently incorporates residential live/work uses and arts production uses, which are not uncommon in the immediate area. Nearby residential buildings include the Barker Block and Beacon Lofts.

The proposed amendment would allow for the Project to contribute to alleviating the City's housing shortage through the provision of 129 live/work units, which retain an economic production component, 15 of which would be restricted to Very Low Income households. As the surrounding area is developed with a mixture of residential, commercial, and light manufacturing uses, the Project would introduce a complementary and compatible use with the range of uses that exist in the vicinity. Immediately to the south of the Project Site across East 5<sup>th</sup> Street, an eight-story mixed-use project is proposed at 1100 East 5<sup>th</sup> Street. The pedestrian entrance to the Project's port cochere has been expanded, landscaped and realigned to abut an anticipated mid-block pedestrian paseo in the 1100 East 5<sup>th</sup> Street project site, thereby enhancing pedestrian connections through the vicinity south of the Site. A block to the northeast, a 12-story retail and office building is proposed on the surface parking areas that surround the Architecture and Design Museum at 4th Street and Hewitt Street. Therefore, the Project would also be compatible with proposed developments on nearby properties.

As proposed, the Project will provide new housing for a mix of incomes, and will offer amenities that would improve the quality of life for existing and future residents as well as the surrounding community. The General Plan Amendment will result in a project that will retain a productive employment-generating uses on the site that complement existing uses in the vicinity, while also providing much-needed residential units with commercial land uses on the ground level. The Project promotes a more walkable lifestyle by locating commercial and residential uses within proximity of transit and existing job centers and services. Furthermore, as described in Finding No. 2, the amendment would allow the development of the site with a residential use that is consistent with the objectives and policies of the Community Plan and is compatible with the existing and proposed development of the surrounding area. Therefore, the initiated General Plan Amendment to Regional Commercial would be in conformity with good zoning practices and with development patterns in the immediate area.

**b. “T” and “Q” Classification Findings.**

Per LAMC Section 12.32 G.1 and 2, the current action, as recommended, has been made contingent upon compliance with new “T” and “Q” conditions of approval imposed herein for the Proposed Project. The “T” Conditions are necessary to ensure the identified dedications, improvements, and actions are undertaken to meet the public’s needs, convenience, and general welfare served by the actions required. These actions and improvements will provide the necessary infrastructure to serve the proposed community at this site. The “Q” conditions that limits the scale and scope of future development on the Site are also necessary to protect the best interests of and to assure a development more compatible with surrounding properties and the overall pattern of development in the community, to secure an appropriate development in harmony with the General Plan, and to prevent or mitigate the potential adverse environmental effects of the subject recommended action.

**2. Conditional Use Findings**

The following are the findings for a MCUP to permit the sale and dispensing of alcoholic beverages and CUX for live entertainment and dancing as required by LAMC 12.24 W.1 and 12.24 W.18.

**a. The project will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city, or region.**

The Project includes the demolition and removal of all existing uses on the Project Site, and development of a new mixed-use building, including 129 live/work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. The proposed building would be 12 stories (164 feet) in height. The Project includes 304 automobile parking spaces provided in two of three subterranean levels.

In conjunction with the development of the Project, the Applicant is requesting a Master Conditional Use Permit (MCUP) to permit the sale and dispensing of a full line of alcoholic beverages for off-site consumption at up to two establishments (i.e., retail establishments), and on-site consumption at up to 13 establishments i.e., restaurants, art galleries, and hotel uses). Specifically, the Project proposes three (3) on-site permits for the hotel use (including, but not limited to the lobby, lobby bar, hotel terrace, pool deck, portable units to serve alcohol for on-site consumption within the hotel, and mini-bars within each hotel room or suite), nine (9) permits for on-site consumption in conjunction with proposed restaurants, café, clubhouse or bars located within the commercial and art gallery areas, and one (1) on-site permit associated with the residential amenities. The Project is also requesting a Conditional Use Permit for live entertainment and dancing within the Project’s commercial and hotel uses.

The Project Site is located within the Central City North Community Plan area, and is currently designated for Heavy Industrial land uses corresponding to the M3-1-RIO Zone. The Project is requesting a General Plan Amendment to change the land use designation on the Project Site to Regional Commercial, and a Vesting Zone and Height District Change to change the zoning on the Project Site to C2-2-RIO.

The area surrounding the Project Site is urbanized and improved with a range of industrial uses, residential uses within the Community Plan’s Artists-in-Residence

district, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. To the north immediately abutting the project site is a three-story warehouse, comprising an event space and creative business offices and creative business offices, and two one-story warehouses comprising commercial uses. To the east of the Project Site across Colyton Street are a single-story industrial and/or warehouse building with associated gated surface parking and exterior shed facilities. To the southeast of the project site across East 5<sup>th</sup> Street and Hewitt Street are a restaurant, a tow service parking lot, and the half-acre Arts District Park, and the La Kretz Innovation Campus. South of the Project Site across 5<sup>th</sup> Street, located from east to west, are a surface parking lot associated with a four-story warehouse/office building (fronting on Colyton Street), another gated paved surface parking lot, and a single-story stucco industrial office building at the corner of 5<sup>th</sup> Street and Seaton Street, which is the site of a proposed eight-story, 247,000-square-foot mixed-use building containing up to 220 live/work units and 44,530 square feet of commercial uses. West of the Project Site across Seaton Street is a single-story brick industrial and/or warehouse building with an associated gated surface parking lot, and immediately to the south of this building (across 5<sup>th</sup> Street) is a commercial truck fueling station. Residential uses close to the Project Site include the four-story Barker Block Residences, located southwest at 510 Hewitt Street, and the Beacon Lofts, located to the north at 825 East 4<sup>th</sup> Street. Arts District Park is also located within a block to the southeast of the Project Site.

The proposed restaurant, retail, hotel, and art gallery uses will be desirable to the public convenience and welfare as the uses are in a convenient infill location accessible to nearby residents, workers, and visitors. The Project will provide convenient eating and shopping places to serve the residents, employees and visitors in the area, and add to the number of available dining venues. The offering of food and alcohol in conjunction with the proposed uses will be a benefit as an amenity to current and future residents and visitors and will also serve as an attraction and amenity to future residents and guests, as other residential projects are also in development in proximity.

A variety of commercial uses is an intrinsic part of the service amenities that are necessary for the conservation, development, and success of a vibrant neighborhood. The proposed Regional Commercial land use designation allows for the proposed restaurant and retail uses. The ability for the Site to offer a full line of alcoholic beverages will allow the restaurants and retail/grocery uses to remain competitive with other similar uses serving the same area, as alcohol service is a common and expected by patrons as part of these commercial uses. Further, patrons are drawn to the immediately surrounding area due to the shopping, entertainment, and dining experiences available to them, and offering a full line of alcoholic beverages at these uses on the Project Site will enhance the dining and entertainment experience for visitors, employees, and residents in the vicinity. Further, the on-site consumption of alcohol is a common and expected component of hotel operations, inclusive of in-room mini-bars, restaurants, and amenity areas, which will provide a function and beneficial service to hotel guests visiting the area. Restaurant uses with alcoholic services, as well as various hotel functions are necessary to support and provide amenities for the hotel use as proposed and consistent with various hotels in the nearby Downtown area. The proposed live entertainment and dancing in conjunction with the hotel and commercial uses would also provide a beneficial service, which as proposed and conditioned would be compatible with the surrounding community. In light of the above, the Project will perform a function that enhances the character of the area, which is appropriate within the context of the proposed Regional Commercial land use designation.

The MCUP provides an umbrella entitlement with conditions that apply to the Project Site and in general to all venues, including the retail and restaurant uses. These

conditions include, but are not limited to, security measures, such as a camera surveillance system and appropriate lighting in the evening hours, except routine clean-up, and of prohibiting adult entertainment. In addition, all music, sound or noise which is under the control of the Project Applicant shall be in compliance with the Citywide Noise Ordinance. Further, loitering is prohibited on and around the premises, and the Project Applicant will be required to maintain the premises and sidewalk in good condition. These conditions will be supplemented by more specific conditions designed to address the characteristics of each individual establishment a Plan Approval which will be required, prior to the effectuation of the approval for each respective tenancy identified above, where more specific physical and operational restrictions. Under these Plan Approvals, the Zoning Administrator and LAPD have the opportunity to comment and recommend any conditions, including the maximum number of indoor seats, as determined by the Department of Building and Safety.

As such, the off-site service of alcoholic beverages at two retail establishments, and on-site consumption at up to 13 establishments within the Project's restaurants, art galleries, and hotel uses, as part of a mixed-use development, and the associated request for live entertainment and dancing within the Project's commercial and hotel uses, will enhance the built environment in the surrounding neighborhood, and will provide a function that is beneficial and compatible with the character of the surrounding community and commercial viability of the region as a whole.

- b. The project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety.**

The Project includes the demolition and removal of all existing uses on the Project Site, and development of a new mixed-use building, including 129 live / work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. The proposed building would be 12 stories (164 feet) in height. The Project includes 304 automobile parking spaces provided in two of three subterranean levels. In conjunction with the development of the Project, the Applicant is requesting a Master Conditional Use Permit (MCUP) to permit the sale and dispensing of a full line of alcoholic beverages for off-site consumption at up to two establishments (i.e., retail establishments), and on-site consumption at up to 13 establishments (i.e., restaurants, art galleries, and hotel uses).

As previously described, the Project Site is located within the Central City North Community Plan area, and is proposed to be re-designated to Regional Commercial land uses. The area surrounding the Project Site is urbanized and improved with a range of industrial uses, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age. The Project will introduce new residential, retail and restaurant uses to the Site. The addition of these new uses will provide an amenity to the existing businesses and residents in the area as well as support projected growth. The Project would contain 12 stories and would reach a maximum height of 164 feet. Although notably taller than existing immediately surrounding structures, the design of the Project incorporates elements to reflect the existing neighborhood character and identity, and promote architectural compatibility. The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the materials and massing of the surrounding build environment, and will enhance the

pedestrian experience along street frontages. The upper floors would be covered by glass panels printed with contemporary artwork. The hotel portion of the building would be clad with a continuous window wall glass façade, featuring a varied pastel color palette. These proposed distinctive textures, colors, materials, and architectural features add visual interest and reinforce neighborhood identity. The proposed restaurant, retail, hotel, and art gallery uses will be desirable to the public convenience and welfare as the uses are in a convenient infill location accessible to nearby residents, workers, and visitors to eat, drink, and socialize. Thus, the proposed retail, restaurant uses are located in a convenient infill location that nearby residents, visitors, and employees can patronize from within a short distance.

A variety of commercial uses is an intrinsic part of the service amenities that are necessary for the conservation, development, and success of a vibrant neighborhood. The project site has a proposed Regional Commercial land use designation, which allows for the proposed restaurant and retail uses. The ability for the Site to offer a full line of alcoholic beverages will allow the restaurants, hotel, and retail/gallery uses to remain competitive with other similar uses serving the same area, as alcohol service is a common and expected by patrons as part of these commercial uses. Further, patrons are drawn to the area due to the shopping, entertainment, arts, and dining experiences available to them. Offering a full line of alcoholic beverages at these uses on the Project Site, as well as the option to provide dancing and live entertainment, will enhance the dining and entertainment experience for visitors, hotel guests, employees, and residents in the vicinity. The proposed live entertainment and dancing in conjunction with the hotel and commercial uses would also provide a beneficial service, which has been conditioned and would not adversely affect or degrade adjacent properties.

Redevelopment of the Site will also increase street activity by introducing a new building with a mix of ground-floor commercial uses co-located on-site with 129 multi-family live/work residential units, as well as hotel and art gallery and collaborative art production uses. The Project locates new residential, hotel and commercial uses near existing employment centers, entertainment, and services in Downtown, in a convenient location that residents, visitors, and employees can patronize by walking, biking or public transit. The sale, dispensing, and consumption of alcoholic beverages, as well as the option to provide dancing and live entertainment, will provide a beneficial amenity available to residents, employees and visitors of the Arts District and Downtown area.

The sales of alcohol will not be detrimental to nearby residential uses, since the establishments serving alcohol will be carefully controlled and monitored. The conditions recommended herein will ensure that the establishments will not adversely affect or further degrade the surrounding neighborhood, or the public health, welfare, and safety. Approval of the conditional use will contribute to the success and vitality of the commercial development and help to reinvigorate the site and vicinity. Since the alcohol sales will be in conjunction with food service, retail, and hotel uses, therefore, permitting alcohol sales on the site will not be detrimental to the development of the community. Additionally, as discussed above, the Project's conditions will be supplemented by more specific conditions designed to address the characteristics of each individual establishment at Plan Approval which will be required, prior to the effectuation of the approval for each respective tenancy identified above. Under these Plan Approvals, the Zoning Administrator and LAPD will have the opportunity to comment and recommend any additional conditions, as warranted. Further, the sale of alcohol is regulated by the State of California through the issuance of an Alcohol Beverage Control (ABC) license. Thus, as conditioned, combined with the enforcement authority of ABC and LAPD, the approval for the sale of alcohol will not be detrimental to the public health, safety and

welfare. No churches, schools, or hospitals have been identified within 1,000 feet of the Project Site.

Thus, the Project will be compatible with development on adjacent and neighboring properties and its location, size height, and operations will be compatible with and will not adversely affect or further degrade surrounding properties and/or the public health, welfare, and safety.

**c. The project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan.**

The Project Site is located within the Central City North Community Plan area, which designates the Site for Heavy Industrial land uses corresponding to the M3 Zone. The Site is currently zoned M3-1-RIO, which is consistent with its existing land use designation. The Project is requesting a General Plan Amendment to change the land use designation on the Site from Heavy Industrial to Regional Commercial, and a Vesting Zone and Height District Change to change the zoning on the Project Site to C2-2-RIO, in order to implement the Proposed Project.

The Community Plan text is silent with regards to alcohol sales. In such cases, the decision-maker must interpret the intent of the Community Plan. The proposed request for the sale and dispensing of a full line of alcoholic beverages for off-site consumption at up to two establishments, and on-site consumption at up to 13 establishments, and a Conditional Use Permit for live entertainment and dancing, are consistent with the following Central City North Community Plan goal and objective:

**Goal 2:** A strong and competitive commercial sector which best serves the needs of the community through maximum efficiency and accessibility while preserving the historic commercial and cultural character of the district.

**Objective 2-1:** To conserve and strengthen viable commercial development in the community and to provide additional opportunities for new commercial development and services.

The Project will contribute to the area's viable commercial development by introducing new live/work residential, retail restaurant uses in an appropriate infill location. The area surrounding the Project Site is urbanized and improved with a range of industrial uses, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings. The proposed restaurant, retail, hotel, and art gallery uses will be desirable to the public convenience and welfare as the uses are in a convenient infill location accessible to nearby residents, workers, and visitors to eat, drink, and socialize, including opportunities for live entertainment and dancing.

The proposed Regional Commercial land use designation allows for the proposed restaurant, retail, hotel, and arts-related uses. The Project Site is located in an established area with a compatible and complementary mix of uses, including commercial and restaurant uses, which is appropriate for the sale and dispensing of alcohol incidental to the commercial retail and restaurant and hotel uses proposed under the Project.

The ability for the Site to offer a full line of alcoholic beverages will allow the retail and restaurant uses to remain competitive with other similar uses serving the same area, as

alcohol service is a common and expected by patrons as part of these commercial uses. Further, patrons are drawn to the Arts District and nearby Downtown neighborhoods due to the shopping, entertainment, and dining experiences available to them, and offering a full line of alcoholic beverages at these uses on the Project Site, as well as live entertainment and dancing, will enhance the dining and entertainment experience for visitors, employees, and residents in the vicinity. The sale, dispensing, and consumption of a full-line of alcoholic beverages, in conjunction with the operations of the proposed retail and restaurant uses, will be an added amenity for residents and patrons of the Project, and will thus help to conserve and strengthen viable economic development, and support a strong and competitive commercial sector, in the Community Plan area. Therefore, the Project substantially conforms with the purposes, intent and provisions of the General Plan and the Community Plan.

As discussed above, the Project is consistent with the surrounding development within the Community Plan area. No specific plans are applicable to the Project Site. Based on the above, the requested Master Conditional Use Permit for the dispensing of alcohol, and the request for live entertainment and dancing, substantially conform with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan.

#### **ADDITIONAL FINDINGS FOR ALCOHOL SALES**

**d. The proposed use will not adversely affect the welfare of the pertinent community.**

The approval of the Master Conditional Use Permit to allow the sale and dispensing of a full line of alcoholic beverages on the Site will not adversely affect the welfare of the community. The Project will provide additional amenities for hotel guests, result in a greater variety of dining options, and will support the growing residential population as well as improve the existing environment and attract new visitors and residents to the area.

The Project includes live/work residential, hotel, retail, restaurant, art gallery, and collaborative arts production uses. The new additional residents associated with the Project will improve the pedestrian experience and increase safety as there will be more active streets during extended hours of the day and night. The Project will also enhance the pedestrian experience through a strong ground-floor presence with storefront retail and restaurant uses built to the property line. The proposed retail and restaurant uses are allowed in the proposed C2 Zone, which corresponds to the proposed Regional Commercial land use designation. The sale of alcohol is a common and expected component of restaurants and grocery stores. Nearby uses that offer alcohol for sale include the Valerio gas station at 5<sup>th</sup> Street and Alameda. Various restaurants, markets, and bars offer alcohol service within 600 – 1,000 feet of the Project Site, which currently operate without adversely affecting the welfare of the surrounding community.

Diversity amongst uses is common in the immediately surrounding area and while there are residential uses near the subject site, the proposed establishments open to the public serving alcoholic beverages will be part of a controlled and monitored operation. In addition, numerous conditions have been imposed to ensure that the use is integrated into the community as well as to protect community members from adverse potential impacts. As part of the required Plan Approvals, additional conditions may be recommended for consideration by the California Department of Alcoholic Beverage Control that regulate the sale of alcoholic beverages to prevent adverse impacts to the neighborhood. Other conditions imposed will maintain the order and ensure cleanliness of the project and its surroundings. Thus, the proposed restaurant and event space

operations as it relates to the sale and dispensing of alcoholic beverages would not adversely affect the welfare of the pertinent community. Other conditions imposed will maintain the order and ensure cleanliness of the Project and its surroundings. In addition, the grant requires the use and maintenance of an age verification device to deter underage purchases and drinking. Employees must also undergo STAR (Standardized Training for Alcohol Retailers) training, provided by the Los Angeles Police Department. Both the Conditions of Approval and the requirements of the State Alcoholic Beverage Control agency are intended to protect the public health, welfare and safety of the community. Thus, the proposed on-site consumption associated with hotel and restaurant uses, and off-site consumption associated with retail/commercial uses, as it relates to the sale, dispensing, and consumption of alcoholic beverages will not adversely affect the welfare of the pertinent community.

- e. **The granting of the application will not result in an undue concentration of premises for the sale or dispensing for consideration of alcoholic beverages, including beer and wine, in the area of the City involved, giving consideration to applicable State laws and to the California Department of Alcoholic Beverage Control's guidelines for undue concentration; and also giving consideration to the number and proximity of these establishments within a one thousand foot radius of the site, the crime rate in the area (especially those crimes involving public drunkenness, the illegal sale or use of narcotics, drugs or alcohol, disturbing the peace and disorderly conduct), and whether revocation or nuisance proceedings have been initiated for any use in the area.**

According to the California State Department of ABC licensing criteria, there are three (3) on-site and two (1) off-site licenses allocated to the subject Census Tract Number 2060.31, based on a population of 2,957 people. Within the subject Census Tract, there are currently 61 total active licenses, including 50 on-site licenses and 11 off-site licenses. As such, the number of existing on-site licenses within the census tract where the Project Site is located exceeds ABC guidelines.

According to statistics provided by the LAPD's Central Vice Unit within Crime Reporting District No. 159 which has jurisdiction over the Project Site, a total of 430 crimes were reported in 2018 (308 Part I and 122 Part II crimes), compared to the Citywide Average of 185 crimes and the High Crime Reporting District Average of 222 crimes. The vast majority (256) of the Part I crimes are reported as larceny. Alcohol-related Part II Crimes reported include Narcotics (17), Liquor Laws (15), Public Drunkenness (6), Disturbing the Peace (0), Disorderly Conduct (6), Gambling (0), and DUI related (8). These numbers do not reflect the total number of arrests in the subject reporting district over the accountable year. Arrests for this calendar year may reflect crimes reported in previous years.

Concentration can be undue when the addition of a license will negatively impact a neighborhood. Concentration is not undue when the approval of a license does not negatively impact an area, but rather such a license benefits the public welfare and convenience. The ABC has discretion to approve an application if there is evidence that normal operations will not be contrary to the public welfare and will not interfere with the quiet enjoyment of property by residents in the area. Negative impacts commonly associated with the sale of alcoholic beverages, such as criminal activity, public drunkenness, and loitering are mitigated by the imposition of conditions requiring responsible management and deterrents against loitering, public drinking, driving under the influence, and public drunkenness. As stated above, the number of existing on-site licenses within the census tract where the Project Site is located exceeds ABC guidelines. However, as conditioned, allowing the sale, dispensing, and consumption of

a full line of alcoholic beverages in conjunction with the proposed restaurant and retail/grocery uses and is not anticipated to create a law enforcement issue. Consequently this approval will not result in an undue concentration of premises selling, dispensing, and consumption of a full-line of alcoholic beverages.

The Project will not adversely affect community welfare because the proposed restaurant, retail, hotel, and art gallery uses are desirable uses would be located in an area that permits commercial uses. In this case, the Project will provide a convenience and new amenity to visitors and residents in the immediate neighborhood and, as conditioned, will not negatively impact the area. As such, the proposed uses in conjunction with the on- and off-site sale, dispensing, and consumption of a full-line of alcoholic beverages will be compatible with the surrounding development and will not adversely affect the welfare of the surrounding community.

- f. **The proposed use will not detrimentally affect nearby residentially zoned communities in the area of the City involved, after giving consideration to the distance of the proposed use from residential buildings, churches, schools, hospitals, public playgrounds and other similar uses, and other establishments dispensing, for sale or other consideration, alcoholic beverages, including beer and wine.**

The area surrounding the Project Site is urbanized and improved with a range of industrial uses, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age.

The following residential uses are located within 1,000 feet of the Project Site:

- Multi-family residential uses: five (5)
- Hotel uses: three (3)

As such, the proposed restaurant, retail, art gallery, and hotel uses are located within proximity of sensitive uses, including residences. The Site is located within an immediate area that includes a complementary mix of live/work residential uses, industrial and warehousing uses, commercial, office, retail, and restaurant uses. As mentioned previously, while the Project Site is located near residential areas, the proposed restaurant and retail/grocery uses as it relates to the sale, dispensing, and consumption of alcoholic beverages have been properly conditioned as to not adversely affect the welfare of the pertinent community. As discussed above, more specific physical and operational conditions will be included as part of the Approval of Plans determination required for each venue as established by the MCUP provisions and the Project's conditions will be supplemented by more specific conditions designed to address the characteristics of each individual establishment at Plan Approval which will be required, prior to the effectuation of the approval for each respective tenancy identified above, where more specific physical and operational restrictions. Under these Plan Approvals, the Zoning Administrator and LAPD have the opportunity to comment and recommend any conditions, including the maximum number of indoor seats, as determined by the Department of Building and Safety.

With the conditions referenced herein, the impacts of the on-site and off-site sale, dispensing, and consumption of a full-line of alcoholic beverages will be reduced and not detrimentally affect nearby residentially zoned or developed communities and other sensitive uses within the area.

## 6. Density Bonus/Affordable Housing Incentives Program Findings

The Applicant proposes to set aside 15 units, or 11 percent of the total number of dwelling units, for Very Low Income households, with two Affordable Housing On-Menu Incentives. Following is a delineation of the findings and the application of the relevant facts as related to the request for two (2) On-Menu Incentives to allow for the construction, use and maintenance of a mixed-use Project comprised of 129 live/work condominium units, a 113-room hotel, and 81,326 square feet of commercial space totaling 370,340 square feet of floor area. Pursuant to Section 12.22 A.25(g) of the LAMC and Government Code Section 65915, the Commission shall approve a Density Bonus and requested Incentive(s) unless the Commission finds that:

- a. **The incentives do not result in identifiable and actual cost reductions to provide for affordable housing costs as defined in California Health and Safety Code Section 50052.5 or Section 50053 for rents for the affordable units.**

### On-Menu Incentives

The record does not contain substantial evidence that would allow the Commission to make a finding that the requested on-menu incentives do not result in identifiable and actual cost reductions to provide for affordable housing costs per State Law. The California Health & Safety Code Sections 50052.5 and 50053 define formulas for calculating affordable housing costs for very low, low, and moderate income households. Section 50052.5 addresses owner-occupied housing and Section 50053 addresses rental households. Affordable housing costs are a calculation of residential rent or ownership pricing not to exceed 25 percent gross income based on area median income thresholds dependent on affordability levels.

The list of on-menu incentives in 12.22 A.25 were pre-evaluated at the time the Density Bonus Ordinance was adopted to include types of relief that minimize restrictions on the size of the project. As such, the Department will arrive at the conclusion that the density bonus on-menu incentives will result in identifiable and actual cost reductions that provide for affordable housing costs because the incentives by their nature increase the scale of the project.

The requested incentives for a 35-percent increase in Floor Area Ratio and a 12-foot side yard setback in lieu of the 14 feet otherwise required, are expressed in the Menu of Incentives per LAMC 12.22 A.25(f) and, as such, permit exceptions to zoning requirements that result in building design or construction efficiencies that provide for affordable housing costs. The requested incentives allow the developer to expand the building envelope so the additional units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the Applicant's decision to set aside 15 Very Low Income dwelling units for 55 years.

#### *Floor Area Ratio Increase:*

The Project Site is zoned M3-1-RIO and has a General Plan land use designation of Heavy Industrial. The M3-1-RIO Zone allows light manufacturing and commercial uses but does not permit residential development. The property is currently subject to Height District No. 1, which restrict the maximum FAR on the Site to 1.5:1.

In combination with the proposed C2 Zone, the proposed Height District No. 2 sets forth a maximum base FAR of 6:1. The Project is requesting an On Menu Density Bonus

Incentive for a 35% increase in FAR, resulting in a maximum FAR of 8.1:1. As proposed, the building's maximum floor area of 370,340 square feet and 8.1:1 FAR would be consistent with the maximum base 6:1 FAR, with a 35% increase in FAR, pursuant to the requested Density Bonus Incentive.

The requested incentive allows the developer to expand the building envelope so the additional units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the Applicant's decision to set aside 15 Very Low Income dwelling units for 55 years.

*Yard/setback reduction:*

Under the proposed C2-2-RIO Zone, side yard and rear yard setbacks consistent with the R4 Zone are required for residential uses at the lowest residential story. For side yards, the R4 Zone requires a minimum five-foot setback, plus one foot for every story above the second story, not to exceed 16 feet. The R4 Zone requires a minimum 15-foot rear yard setback plus one foot for each story over the third.

Pursuant to LAMC Section 12.22 A.25, the Project is requesting an On Menu Density Bonus to allow for a 12-foot side yard setback in lieu of the 14 feet otherwise required. The Project would provide a 12-foot side yard setback abutting neighboring properties to the north, and with approval of the requested Incentive, would be consistent with this requirement.

The requested incentive allows the developer to expand the building envelope so the additional units can be constructed and the overall space dedicated to residential uses is increased. These incentives support the Applicant's decision to set aside 15 Very Low Income dwelling units for 55 years.

- b. The Incentive will have a specific adverse impact upon public health and safety or the physical environment, or on any real property that is listed in the California Register of Historical Resources and for which there are no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to Very Low, Low and Moderate Income households. Inconsistency with the zoning ordinance or the general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.**

There is no substantial evidence in the record that the proposed incentives will have a specific adverse impact. A "specific adverse impact" is defined as, "a significant, quantifiable, direct and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete" (LAMC Section 12.22.A.25(b)). As required by Section 12.22 A.25 (e)(2), the project meets the eligibility criterion that is required for density bonus projects. The project also does not involve a contributing structure in a designated Historic Preservation Overlay Zone or on the City of Los Angeles list of Historical-Cultural Monuments. Therefore, there is no substantial evidence that the proposed incentives will have a specific adverse impact on public health and safety.

## DENSITY BONUS LEGISLATION BACKGROUND

The California State Legislature has declared that "[t]he availability of housing is of vital statewide importance," and has determined that state and local governments have a responsibility to "make adequate provision for the housing needs of all economic segments of

the community." Section §65580, subds. (a), (d). Section 65915 further provides that an applicant must agree to, and the municipality must ensure, the "continued affordability of all Low and Very Low Income units that qualified the applicant" for the density bonus.

With Senate Bill 1818 (2004), state law created a requirement that local jurisdictions approve a density bonus and up to three "concessions or incentives" for projects that include defined levels of affordable housing in their projects. In response to this requirement, the City created an ordinance that includes a menu of incentives (referred to as "on-menu" incentives) comprised of eight zoning adjustments that meet the definition of concessions or incentives in state law (California Government Code Section 65915). The eight on-menu incentives allow for: 1) reducing setbacks; 2) reducing lot coverage; 3) reducing lot width, 4) increasing floor area ratio (FAR); 5) increasing height; 6) reducing required open space; 7) allowing for an alternative density calculation that includes streets/alley dedications; and 8) allowing for "averaging" of FAR, density, parking or open space. In order to grant approval of an on-menu incentive, the City utilizes the same findings contained in state law for the approval of incentives or concessions.

## 7. Site Plan Review Findings

The following are the findings for Site Plan Review as required by LAMC 16.05.

- a. **The project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable community plan, and any applicable specific plan.**

The Project includes the demolition and removal of all existing uses on the Project Site, and development of a new mixed-use building, including 129 live/work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. The proposed building would be 12 stories (164 feet) in height. The Project includes 304 automobile parking spaces provided in two of three subterranean levels.

The Los Angeles General Plan sets forth goals, objectives and programs that guide both Citywide and community-specific land use policies. As discussed in Finding No. 2, the recommended project would be consistent with the purposes, intent and provisions of the General Plan and its elements, including the Framework Element, Housing Element, Mobility Element, Health and Wellness Element and the Land Use Element – Central City North Community Plan. The Project Site is not subject to any specific plans.

As further detailed in Finding No. 2, above, the Project would support housing-related objectives and policies through the provision of 129 new live/work residential units, 15 of which would be restricted to Very Low Income households; would locate new housing in proximity to public transportation, reduce vehicular trips, and would be accessible to existing activity centers, services and facilities; would support policies and goals to strengthen viable commercial development, provide additional opportunities for new commercial development and services; would provide a complementary balance of uses that provides for productive commercial development including art production, art gallery, hotel, and retail, restaurant uses; would be consistent with the directions relative to industrial land set forth in the Framework Element and Community plan in that it will provide for a complementary mix of job-producing uses that are allowed for in industrial zones, along with live/work uses; and would incorporate design elements that reflect the existing neighborhood character and identity, and promote architectural compatibility; would provide ground-floor uses and design features that enhance pedestrian street activity.

Based on the above, the Project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable community plan, and any applicable specific plan.

- b. The project consists of an arrangement of buildings and structures (including height, bulk and setbacks), off-street parking facilities, loading areas, lighting, landscaping, trash collection, and other such pertinent improvements that is or will be compatible with existing and future development in neighboring properties.**

The Project Site is located within the Central City North Community Plan area. The area surrounding the Project Site is urbanized and improved with a range of industrial uses, residential uses within the Community Plan's Artists-in-Residence district, restaurants, and commercial uses contained in low-rise and mid-rise buildings of widely varying age.

Specifically:

- To the north immediately abutting the project site is a three-story warehouse, comprising an event space and creative business offices and creative business offices, and two one-story warehouses comprising commercial uses.
- To the east of the Project Site across Colyton Street are a single-story industrial and/or warehouse building with associated gated surface parking and exterior shed facilities. To the southeast of the project site across East 5<sup>th</sup> Street and Hewitt Street are a restaurant, a tow service parking lot, and the half-acre Arts District Park, and the La Kretz Innovation Campus.
- South of the Project Site across 5<sup>th</sup> Street, located from east to west, are a surface parking lot associated with a four-story warehouse/office building (fronting on Colyton Street), another gated paved surface parking lot, and a single-story stucco industrial office building at the corner of 5<sup>th</sup> Street and Seaton Street, which is the site of a proposed eight-story, 247,000-square-foot mixed-use building containing up to 220 live/work units and 44,530 square feet of commercial uses.
- West of the Project Site across Seaton Street is a single-story brick industrial and/or warehouse building with an associated gated surface parking lot, and immediately to the south of this building (across 5<sup>th</sup> Street) is a commercial truck fueling station. Residential uses close to the Project Site include the four-story Barker Block Residences, located southwest at 510 Hewitt Street, and the Beacon Lofts, located to the north at 825 East 4th Street. Arts District Park is also located within a block to the southeast of the Project Site.

The Project includes the demolition and removal of all existing uses on the Project Site, and development of a new mixed-use building, including 129 live/work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. The proposed building would be 12 stories (164 feet) in height. The Project includes 304 automobile parking spaces provided in two of three subterranean levels. In total, the Project would be comprised of 370,340 square feet of floor area, for a maximum FAR of up to 8.1:1.

#### Height

The Project will be 12 stories tall, with a maximum height of 164 feet. Retail and restaurant uses would be provided on the ground floor and second floor. Above the two-story base, the

third floor would provide art gallery and artist collaborative space, as well as check-in and lounge areas for the proposed hotel. Residential live-work units and hotel guest rooms would be located on floors four through 11. Level 12 would provide a restaurant and rooftop bar that will be open to the public, as well as gym and clubhouse amenity areas open to both Project residents and hotel guests.

The proposed 12 stories and maximum height of 164 feet would be notably taller than other buildings in the immediately surrounding area. The immediately abutting existing buildings to the north of the Project Site range from one- to three stories, and the closest buildings across Seaton Street to the west, Colyton Street to the east, and 5<sup>th</sup> Street to the south, are all one story. Although taller than existing immediately surrounding structures, the design of the Project incorporates elements to reflect the existing neighborhood character and identity, and promote architectural compatibility. The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the materials and massing of the surrounding built environment, and will enhance the pedestrian experience along street frontages. The upper floors would be covered by glass panels printed with contemporary artwork. The hotel portion of the building would be clad with a continuous window wall glass façade, featuring a varied pastel color palette. These proposed distinctive textures, colors, materials, and architectural features add visual interest and reinforce neighborhood identity. Additionally, as noted above, proposed projects with filed applications in the immediate vicinity also include a proposed eight-story mixed use building to the south of the Project Site across 5<sup>th</sup> Street, and a proposed commercial and office building on the site of the Architecture and Design Museum a block to the northeast of the Project Site located at 4th Street and Hewitt Street.

Furthermore, the additional FAR and height proposed would allow for the Project to provide the 15 units set aside for Very Low Income households, and to incorporate the proposed art gallery and collaborative art production uses.

#### Bulk & Mass

The area surrounding the Project Site is generally characterized by one- to three-story buildings, with a three-story building immediately abutting the Project Site to the north, and the closest buildings across Seaton Street to the west, Colyton Street to the east, and 5<sup>th</sup> Street to the south, all comprised of one story.

The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the materials and massing of the surrounding built environment. The third-level design transitions to the upper-floor live/work and hotel uses provided above. The two-story base reflects the materiality and overall horizontal massing of the nearby one- to three-story buildings, providing continuity in the pedestrian experience from the street, while arranging the proposed building in a manner that is compatible with existing adjacent development, with uniquely designed upper floors above. An outdoor terrace is provided along the entire perimeter of the third floor, providing open-air outdoor areas for users of the Project, and that steps back the upper floors by 5 feet to 20 feet. As a result, the terrace and step back creates space and differentiation for the massing of the upper floors above the two-story base.

Above the two-story base, the Project would reach 12 stories with maximum height of 164 feet. The third floor would provide art gallery and artist collaborative space, as well as check-in and lounge areas for the proposed hotel. Residential live-work units and hotel guest rooms would be located on floors four through 11. The residential portion of the building would also be covered by glass panels printed with contemporary artwork, and the hotel portion would be clad with a multi-colored window wall glass façade. Level 12 would provide a restaurant and rooftop bar that will be open to the public, as well as gym and clubhouse

amenity areas open to both Project residents and hotel guests. The unique cladding and curtain wall design would create visual interest and soften the visual mass of the building in relation to the surrounding buildings.

Additionally, as noted above, proposed projects with filed applications in the immediate vicinity also include a proposed eight-story mixed use building to the south of the Project Site across 5<sup>th</sup> Street, and a proposed commercial and office building on the site of the Architecture and Design Museum a block to the northeast of the Project Site located at 4<sup>th</sup> Street and Hewitt Street. As such, the Project would result in an overall massing that is consistent with proposed future development on nearby properties.

In sum, the proposed bulk and mass will be consistent with the scale of existing and future proposed developments within the surrounding neighborhood.

#### Off-Street Parking and Loading Area

Vehicular access to the Project Site is currently provided via on-street parking, as there is currently no off-street parking provided on the Project Site. Operation of the Project would introduce a porte cochere along the 5<sup>th</sup> Street frontage that offers valet parking and temporary valet pick-up/ drop-off areas. Access to the subterranean parking levels, which would feature an automated parking system, would be from the Colyton Street entrance, which would also connect to the 5<sup>th</sup> Street porte cochere. With the shift of the driveway to the east, an expanded landscaped pedestrian entryway is provided in order to enhance the public realm and pedestrian environment on 5<sup>th</sup> Street, orienting the focus of this area towards pedestrians and bicyclists as opposed to the car. Short-term bicycle parking is also provided within the pedestrian entryway. A loading area to serve the Project would be located at-grade on the northwest side of the building and accessed from Seaton Street. The loading area would also allow access to the live/work and communal trash rooms at the ground level. Project driveways and access would be designed according to LADOT standards.

As discussed above, the Project will be required to provide 289 vehicle parking spaces. The Project proposes to provide 304 parking spaces to be located entirely on subterranean levels B2 and B3, as a combination of 34 valet parking spaces and 270 automated parking spaces. By providing parking fully underground, the Project completely eliminates the appearance of parking as viewed from the street, thereby improving the pedestrian environment and overall aesthetics of the proposed new construction, and fully enclosing any potential light intrusion from parking vehicles. The Project also includes immediate installation of Electric Vehicle (EV) charging stations for five percent of the total code-required parking spaces and wiring for future installation of EV charging stations for 20 percent of the total code-required parking spaces.

#### Landscaping

The Project will create an inviting pedestrian environment through the provision of a 45-foot wide landscaped pedestrian entryway at the center of its 5<sup>th</sup> Street frontage. Additionally, a landscaped terrace ranging from five- to 20 feet in width will be provided on the third level along the west, south and east, adjacent to the proposed hotel lounge and check-in areas, and art gallery and collaborative art production spaces, providing visual relief and open space areas for hotel guests, residents, employees, and visitors to relax and congregate.

Additionally, Level 12 would provide a restaurant and rooftop bar that will be open to the public, as well as gym and clubhouse amenity areas, and a pool deck and terrace open to both residents and hotel guests. In sum, the Project would provide ample open space opportunities on-site for residents, hotel guests, employees and visitors to the Project Site.

### Trash Collection

As conditioned, all trash and recycling areas shall be enclosed and not visible from the public right-of-way.

### Lighting & Building Signage

The Project will add new live/work residential, hotel, commercial, and art gallery and production uses. Because the Project is located near a mix of complementary uses that include residential uses located across Colyton Street, the Project has been designed and conditioned to further protect nearby uses from lighting related impacts, including requirements for outdoor lighting to shine downward, be installed with shielding, and be directed onto the project site, so that the light source does not directly illuminate any adjacent properties or the above night skies. All parking will be provided underground. Signage for mixed-use developments typically includes building address identification, commercial retail, wayfinding, and security markings. All signage will be required to comply with LAMC requirements. In addition, the Project has been conditioned so that there shall be no off-site commercial signage on construction fencing during construction.

### Citywide Design Guidelines

The updated Citywide Design Guidelines were adopted by the City Planning Commission on October 24, 2019 and apply to all new development and substantial building alterations that seek a discretionary action for which the Department of City Planning has design authority. Design Guidelines provide a less prescriptive, more flexible way of conveying design expectations and shaping proposed projects but are not intended to supersede the Municipal Code and/or other regulatory documents such as specific plans and overlays. The Citywide Design Guidelines set forth three overarching design approaches, Pedestrian-First Design, 360-Degree Design, and Climate Adapted Design.

The guidelines for Pedestrian-First Design are to promote a safe, comfortable and accessible pedestrian experience for all; to carefully incorporate vehicular access such that it does not degrade the pedestrian experience; and to design projects to actively engage with streets and public space and maintain human scale. The guidelines for 360-Degree Design are to organize and shape projects to recognize and respect surrounding context; express a clear and coherent architectural idea; to provide amenities that support community building and provide an inviting, comfortable user experience; and to carefully arrange design elements and uses to protect site users. The guidelines for Climate Adapted Design are to protect the site's natural resources and features; configure the site layout, building massing and orientation to lower energy demand and increase the comfort and well-being of users; and to enhance green features to increase opportunities to capture stormwater and promote habitat.

The Project includes the demolition and removal of all existing uses on the Project Site, and development of a new mixed-use building, including 129 live / work condominium units, a 113-room hotel, and 81,326 square feet of commercial space to be used for art galleries, retail, restaurant, and artist collaborative space. Of the 129 live/work units, 15 units (i.e., 11 percent) would be set aside for Very Low Income households. The proposed building would be 12 stories (164 feet) in height. The Project includes 304 automobile parking spaces provided in two of three subterranean levels.

The Project supports Pedestrian-First Design and 360-Degree Design through several features. The two-story base of the Project would feature red brick, metal awnings and canopies, and ground-floor storefront glass that reflect the materials and massing of the surrounding build environment. The third level design transitions to the upper-floor live/work

and hotel uses provided above. An outdoor terrace is provided along the entire perimeter of the third floor, providing open-air outdoor areas for users of the Project while creating a setback ranging from ranges from 5 feet to 20 feet, creating space and differentiation for the massing of the upper floors above the two-story base. The two-story base reflects the materiality and overall horizontal massing of the nearby one- to three-story buildings, while the upper stories feature a unique cladding and curtain wall design comprised of printed and colored glass panels. The Project would result in an overall massing that is consistent with proposed future development on neighboring properties, including proposed mixed-use and office projects to the northeast and south. Parking would be provided fully underground, thereby improving the pedestrian environment and overall aesthetics of the proposed new construction.

The Project will be designed with window treatments, contemporary architectural design features, and building articulations and will include a variety of building materials, such as different types of colored glass panels, printed panels with contemporary artwork, concrete, metal, and brick, that will provide horizontal and vertical articulation that break up the building planes and reduce the visual mass of the building. The Project will include a transparent ground floor that will promote an active pedestrian street presence. At the higher residential levels, the building will intersperse varied surface materials will provide horizontal and vertical articulation that break up the building planes and reduce the visual mass of the building. Glass used in building facades will be non-reflective or treated with a non-reflective coating to minimize glare; glazing used would have the minimum reflectivity needed to achieve energy efficiency standards.

The Project will support Climate-Adapted Design by complying with applicable provisions of the CALGreen Code and the Los Angeles Green Building Code, which will serve to reduce the Project's energy usage. Furthermore, as proposed and conditioned, a minimum of 20 percent of the total code-required parking spaces will be capable of supporting future electric vehicle supply equipment (EVSE), and five (5) percent of the total code-required parking spaces will be equipped with EV chargers. The exterior of the proposed structures will be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films) to minimize glare and reflected heat. The Project also proposes to use photovoltaic glass for the curtain wall on the residential façade of the building. As proposed and conditioned, a minimum of 15% of the upper roof of the Project will be installed with solar panels.

The Project combines design, density, and a complementary mix of uses that will activate the street and contribute to a livable, walkable community. Based on its design and proposed amenities, the Project meets several goals listed throughout the Design Guide.

As described above, the Project is an infill mixed-use project that will be compatible with existing and future development on adjacent and neighboring properties with regards to height, bulk, and setbacks, off-street parking facilities, loading areas, lighting, landscaping, trash collection, and other such pertinent improvements. Therefore, the arrangement of the development is consistent and compatible with existing and future development in neighboring properties.

- c. That any residential project provides recreational and service amenities in order to improve habitability for the residents and minimize impacts on neighboring properties.**

As discussed above in Finding 7(b), the Project will improve habitability for its residents by placing residents in proximity to on-site recreational amenities. Pursuant to LAMC 12.21 G.2, based on the number of units and the mix of unit types, 16,275 square feet of residential open space is required. The Project would provide 22,500 square feet of open space, exceeding LAMC requirements. The provided open space would include a 9,000 square foot third-level terrace, and a 13,500 square foot roof garden, pool deck and terrace. The residential and commercial amenities are wholly within the Project Site, and are not expected to impact neighboring properties.

By combining design, density, and indoor and outdoor open spaces, the Project will add to the livability of the residents and to residents and visitors to the Project Site. As proposed, the Project will be providing open space in excess of what is required by the LAMC and has programmed the open space to take into consideration the varying recreational needs of the future residents and guests. Therefore, the Project will provide recreational and service amenities to improve the habitability for its residents and minimize impacts on neighboring properties.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) FINDINGS**

The City of Los Angeles, as lead agency, acting through the Department of City Planning, prepared an environmental impact report (EIR), consisting of a Draft EIR and Final EIR, under case number ENV-2016-4476-EIR. Pursuant to the California Environmental Quality Act (California Public Resources Code Sections 21000-21189.57)(CEQA), the EIR is intended to serve as an informational document for public agency decision-makers and the general public regarding the objectives and components of the Arts District Center Project, consisting of a mixed-use project comprised of 129 live / work condominium units, a 113-room hotel, and 81,326 square feet of commercial space, located at 1101 East 5<sup>th</sup> Street, 1129 East 5<sup>th</sup> Street, 445-457 South Colyton Street, and 450-456 South Seaton Street, in the Central City North Community Plan area of Los Angeles (Site or Project Site). In a determination letter dated October 11, 2019, the City’s Deputy Advisory Agency (DAA) certified the EIR; adopted the environmental findings prepared for the Project as well as a statement of overriding considerations and a mitigation monitoring program (MMP); and approved the Project’s vesting tentative tract map (VTTM). A Notice of Determination was filed on October 16, 2019 with the Los Angeles County Clerk. No appeal was filed with respect to the DAA’s approval of the VTTM. The appeal period closed on October 21, 2019.

CEQA and the State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, Sections 15000-15387) allow the City to rely on the previously certified EIR unless a Subsequent or Supplemental EIR is required. Specifically, CEQA Guidelines Sections 15162 and 15163 require preparation of a Subsequent or Supplemental EIR when an EIR has been previously certified or a negative declaration has previously been adopted and one or more of the following circumstances exist:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
- The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
  - Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

Likewise, Public Resources Code Section 21166 states that unless one or more of the following events occur, no Subsequent or Supplemental EIR shall be required by the lead agency or by any responsible agency:

- Substantial changes are proposed in the project which will require major revisions of the environmental impact report;
- Substantial changes occur with respect to the circumstances under which the project is being undertaken which will require major revisions in the environmental impact report; or
- New information, which was not known and could not have been known at the time the environmental impact report was certified as complete, becomes available.

## SECTION 2. CEQA FINDINGS

FIND, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in the Arts District Center Project EIR No. ENV-2016-4476-EIR, SCH No. 2017041012, certified on October 11, 2019; and pursuant to CEQA Guidelines, Sections 15162 and 15164, no subsequent EIR, negative declaration, or addendum is required for approval of the Project.

## SECTION 3. MITIGATION MONITORING PROGRAM

All mitigation measures in the previously adopted Mitigation Monitoring Program attached as Exhibit "B", are imposed on the project through Conditions of Approval, Environmental Conditions Nos. 51 and 52, to mitigate or avoid significant effects of the proposed Project on the environment and to ensure compliance during Project implementation.