

JUSTIFICATIONS FOR APPEAL OF ZA-2020-0055-CU-SPR

Appellant. Bethune Hotel Ventures, LLC (the “Appellant”).

Address. 3685 South Vermont Avenue (the “Property”) in the City of Los Angeles (the “City”). The Property is an approximately 34,000 sq. foot, City-owned parcel that has been vacant since 2010.

Project Application/Entitlements. Conditional Use Permit (“CUP”) to allow a seven-story, 168-room hotel with ground floor retail space (the “Project”) located within 500 feet of a residential zone; Site Plan Review (“SPR”) for a development project that results in an increase of 50 or more guest rooms in the C2-2D-CPIO zone. The Project application was submitted on January 6, 2020 and denied by the Zoning Administrator (“ZA”) on March 25, 2022.

Reasons for Appeal and Specific Points at Issue. The Appellant is the Project applicant, who was selected pursuant to a highly competitive Request for Proposal (“RFP”) process initiated by the City in 2019 to develop the Property *with a hotel use*. However, after over three years of incurring significant costs to conduct studies requested by the City and to prepare plans and application materials for a hotel use on the Property – in complete conformance with the project description that was approved by the City pursuant to the RFP, the application to allow the hotel use was shockingly denied by the ZA. Therefore, the Appellant is submitting this appeal to the South Area Planning Commission (“APC”) to reverse the ZA’s determination and to approve the Project for the following reasons:

1. **The City’s findings are not supported by substantial evidence.** In the City’s determination letter, the ZA states that the Project does not meet most of the mandatory findings required to approve both the CUP or SPR requests. To meet the findings and gain approval, the Project must generally demonstrate that it is beneficial to the community, compatible with adjacent land uses, and is consistent with the City’s applicable land use plans.

The primary reason stated by the ZA for denying the application is that the Project is an internationally branded hotel that meets the lodging requirements of visitors to USC and area attractions (such as Exposition Park and the Coliseum), but is not a “neighborhood serving” or “community serving” use, like many of the Property’s adjacent uses. Therefore, it “displaces opportunities for affordable housing, a youth center or any other community serving use.”

The ZA appears to base his opinion solely on testimony of speakers at the public hearing who repeated their preference for the so-called neighborhood or community serving uses mentioned above, instead of a hotel use. However, the City’s applicable Community Plan designates the Property for “Community Commercial” land uses and states “[t]he intent of the Community Commercial land use designation is to provide a variety of retail establishments, services and amenities for residents, employees *and visitors* of the surrounding area.” A hotel use is an amenity *for visitors* that would certainly fit within this description, and it is an insufficient reason to deny an application because one land use may be preferable by certain hearing attendees to another allowable use.

The ZA may also be confusing the Community Commercial land use designation with the “Neighborhood Commercial” land use designation, which is described in the Community Plan as “providing daily convenience services to people living in nearby residential areas as well as providing some additional housing opportunities. Typical establishments found in these areas

include markets, barber and beauty shops, laundromats and dry cleaners, restaurants, convenience stores, coffee shops and small professional offices.” These uses seem similar to the neighborhood or community serving uses described by the ZA, and many properties along Vermont Avenue north of USC and south of the Coliseum are designated for such uses. However the Property is not designated for Neighborhood Commercial Land Uses, and there is no basis for requiring such uses to be located on the Property to meet the required findings and approve the application. Nonetheless, the Project does include 4,067 square feet of ground floor, neighborhood-serving retail space, as required by the terms of the RFP – this is point the ZA failed to acknowledge in his determination.

An additional unsubstantiated finding is that because the seven-story Project exceeds the prevailing height of the adjacent residential properties and proposes vehicular ramps, loading/trash/storage areas and mechanical equipment in close proximity to these properties, it will adversely impact the adjacent properties. However, no details regarding these potential adverse impacts are provided. Furthermore, the ZA ignores the fact that the Project complies with all development regulations of the Community Plan Implementation Overlay (“CPIO”) zoning district and substantially complies with the Community Plan Design Guidelines. In addition, the ZA concludes without any supporting data that the proposed hotel use will result in greater vehicular trips for residents that live immediately nearby and is, therefore, not consistent with the City’s Mobility Plan. There is no reasonable basis for this conclusion.

2. **The Project meets the City’s required findings.** Contrary to the ZA’s determination, the Project meets the required findings. As stated above, the proposed hotel use is consistent with the Property’s Community Commercial land use designation and complies with all development regulations of the CPIO zoning district and substantially complies with the Community Plan Design Guidelines, as called out in the ZA’s own determination. The Project will benefit the surrounding neighborhood by constructing a well-designed, attractive building on a lot that has been vacant for 12 years. The lack of hotel space in the area causes interested visitors to either utilize very expensive downtown hotels or lower rate, substandard motels. Therefore, the Project will benefit the community by offering modern, well-equipped hotel rooms at manageable rates. Furthermore, the Project will provide job opportunities for the local community and will include a restaurant and several conference rooms and centers – all of which will need a qualified, multi-level staff to oversee the facility. There will also be additional, neighborhood-serving retail spaces on the ground floor that will generate local jobs, and the hotel will generate significant tax revenue for the City. The Appellant is also in the process of finalizing a \$1 million community benefits package it will provide to the City to help fund neighborhood services and needs – which was included in the approved proposal submitted by the Appellant and accepted by the City.
3. **The City cannot deny an application to develop the Property with a use it specifically promoted and authorized.** As mentioned above, the Appellant was selected to develop the Property with a hotel use after a comprehensive RFP process initiated and administrated by the City. The RFP was approved by the City Council and Mayor’s office and was circulated on January 3, 2019, specifically requesting “proposals that target commercial uses, such as hospitality.” The RFP evaluation and selection process was conducted by a panel consisting of staff from the Economic and Workforce Development Department, the City Administrative Office, Chief Legislative Analysisist and the Planning Department. After following all steps required by City officials, the Appellant’s hotel Project proposal was selected, receiving the highest total score of 95 out of 100 possible points.

After being selected to proceed with a hotel use on the Property and spending over three years to complete the Project application, including patiently enduring delays caused by the pandemic, the Appellant was totally blindsided by the ZA's decision to summarily deny the application for the hotel project. Needless to say, it is unfathomable that a project proposed in response to a widely disseminated City RFP for the development of a hotel could end up with the ZA denying the exact same project the City requested proposals from developers to build and which was chosen by the City just three years ago.

How is the Appellant aggrieved by the decision. The Appellant has expended over three years of time and has incurred approximately \$500,000 in expenses in furtherance of a hotel Project specifically authorized by the City's RFP that now cannot be built due to the ZA's decision.

Why the decision-maker erred in his discretion: As stated above, the ZA erred and abused his discretion to deny the Project for failing to support his findings with substantial evidence. Furthermore, the proposed hotel use is consistent with the General Plan's Land Use designation for the Property and meets the required findings for approval. The Project also includes community benefits that were ignored by the ZA, and the ZA failed to acknowledge the Appellant's reliance on the City's RFP process in submitting an application for a hotel use that was proposed and in compliance with this process and selected by the City.

Thank you for the opportunity to consider this appeal and for scheduling the appeal hearing. Please note that Appellant reserves the right to submit additional information in support of this appeal prior to the appeal hearing date.