



DEPARTMENT OF CITY PLANNING RECOMMENDATION REPORT



Los Angeles City Planning Commission

Date: February 11, 2016

Time: After 8:30 a.m.

Place: City Hall
Public Works Board Room
200 N. Spring Street, Room 350
Los Angeles, CA 90012

Public Hearing: December 23, 2015

Appeal Status: Off-menu Density Bonus is not
appealable. Site Plan Review is
appealable to the City Council

Expiration Date: February 29, 2016

Case No.: CPC-2015-1703-DB-SPR
CEQA No.: ENV-2015-1705-MND

Related Cases: None
Council No.: 1 - Cedillo
Plan Area: Wilshire
Specific Plan: None
Certified NC: MacArthur Park
GPLU: Neighborhood Office
Commercial
Zone: C2-1

Applicant: Datum Development, LLC

Representative: Christopher Pak, Archeon
Group

**PROJECT
LOCATION:** 2972 W. 7th Street

**PROPOSED
PROJECT:** The construction of a mixed-use building with 180 apartment units and 15,000 square feet of ground floor commercial use. The building will be 6 stories (62 feet) tall and encompass about 160,500 square feet of floor area. An existing 28,900-square foot commercial building will be demolished. The project will provide 206 automobile parking spaces in one level of ground floor and one level of subterranean parking, 214 bicycle parking spaces, and 18,618 square feet of open space. The project will contain fifteen (15) restricted affordable units for Very Low Income tenants for a period of 55 years. This is 11 percent of the base density, 133 units, permitted by the C2-1 zone. The applicant is proposing to utilize a 35% Density Bonus increase, which allows a total of 180 units in lieu of the maximum density of 133 units permitted by right, and Parking Option 1. Additionally, the applicant requests two off-menu development waivers for relief from regulations that are not listed as on-menu Density Bonus Affordable Housing Incentives: 1) relief from the Wilshire Community Plan Map Footnote #5, which limits the C2 zone with Neighborhood Commercial Land Use to Height District 1 (a Floor Area Ratio (FAR) of 1.5:1); and 2) an increase in FAR from 1.5:1 to 3:1. The applicant must request an off-menu incentive to increase the FAR, as it exceeds the maximum 35% increase allowed per LAMC Section 12.22 A.25 (f)(4)(i) and does not front on a Major Highway as identified in the City's General Plan per Section 12.22 A.25 (f)(4)(ii).

- REQUESTED
ACTIONS:**
1. Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, a **Mitigated Negative Declaration** (ENV-2015-1705-MND) and the **Mitigation Monitoring Program** (MMP) for the above referenced project; and
 2. Pursuant to Los Angeles Municipal Code (LAMC) Section 12.22 A.25, a **Density Bonus approval** to permit a 180-unit rental housing development, with 15 units (11%) of the base 133 units allowed by right, restricted to Very Low Income Households for a period of 55 years, and the utilization of Parking Option 1.

- a. Pursuant to Section LAMC 12.22 A.25(g)(3), an off-menu incentive for relief from the Wilshire Community Plan Footnote #5, which limits the C2 zone with Neighborhood Commercial Land Use to Height District 1 (Floor Area Ratio of 1.5:1).
 - b. Pursuant to Section LAMC 12.22 A.25(g)(3), an off-menu incentive to permit more than a 35% increase in the Floor Area Ratio, not to exceed 3:1 in lieu of the otherwise allowable maximum of 1.5:1.
3. Pursuant to Section 16.05 of the Municipal Code, **Site Plan Review** for a project which results in an increase of 50 or more residential units.

**RECOMMENDED
ACTIONS:**

1. Pursuant to Section 21082.1(c)(3) of the California Public Resources Code, **Adopt** the Mitigated Negative Declaration (ENV-2015-1705-MND) and the Mitigation Monitoring Program (MMP) for the above referenced project;
2. Pursuant to Los Angeles Municipal Code Section (LAMC) 12.22 A.25, **Approve** a Density Bonus Affordable Housing Incentive to permit a 180-unit rental housing development, with 15 units (11%) of the base 133 units allowed by right, restricted to Very Low Income Households for a period of 55 years, and the utilization of Parking Option 1.
 - a. Pursuant to Section LAMC 12.22 A.25(g)(3), an off-menu incentive for relief from the Wilshire Community Plan Footnote #5, which limits the C2 zone with Neighborhood Commercial Land Use to Height District 1, (Floor Area Ratio of 1.5:1).
 - b. Pursuant to Section LAMC 12.22 A.25(g)(3), an off-menu incentive to permit more than a 35% increase in the Floor Area Ratio, not to exceed 3:1 in lieu of the otherwise allowable maximum of 1.5:1.
3. Pursuant to Section 16.05 of the Municipal Code, **Approve** a Site Plan Review for a project which results in an increase of 50 or more residential units.

VINCENT P. BERTONI, AICP
Director of Planning


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PROJECT ANALYSIS

Project Summary

The project site is located on the south side of 7th Street between Westmoreland Avenue and Magnolia Avenue in the Wilshire Community Plan area. The proposed project is a 180-unit mixed-use building with 15,000 square feet of ground floor commercial use space, 18,600 square feet of open space. The building will be 6 stories or approximately 62 feet in height. The site is designated for Neighborhood Office Commercial land use with a corresponding zone of C2-1. The site is approximately 53,500 square feet and is improved with a 28,900 square-foot commercial building, which will be demolished.

The applicant proposes to utilize Los Angeles Municipal Code (LAMC) Section 12.22 A. 25 (Density Bonus Affordable Housing) to set aside 15 restricted affordable units for Very Low Income tenants for a period of 55 years. This is 11 percent of the base density, 133 units, permitted by the C2-1 zone. The applicant is proposing to utilize a 35% Density Bonus increase, which allows a total of 180 units in lieu of the maximum density of 133 units permitted by right. The Density Bonus Ordinance grants an increase in the permitted density in exchange for setting aside a portion of the by-right dwelling units for Very Low Income households.

The Wilshire Community Plan (adopted 2001) General Plan Land Use Map Footnote #5 limits the C2 zone with Neighborhood Commercial Land Use to Height District 1, which does not have a height limit but restricts the floor area ratio (FAR) to 1.5:1. As the project is proposed for a 3:1 FAR, the applicant must request an off-menu incentive. In addition, a second off-menu incentive is requested because the request is for more than a 35% increase in FAR, and the project site does not front on a Major Highway as identified in the City's General Plan per Section 12.22 A.25 (f)(4)(ii). Therefore, the project does not qualify for the on-menu incentive to allow for a maximum 3:1 FAR permitted per LAMC Section 12.22 A.25 (f)(4)(i) and an off-menu waiver from development regulations is needed.

Multiple Approvals For a project that does not require multiple legislative or quasi-judicial approvals, the Director of Planning has the decision-making authority for an Affordable Housing Density Bonus application with on-menu incentives pursuant to LAMC Section 12.22-A.25 and Site Plan Review pursuant to LAMC Section 16.05. Because the subject case, CPC-2015-1703-DB-SPR, includes a request for an Affordable Housing project with off-menu incentives, the City Planning Commission has the decision-making authority for both entitlement requests pursuant to LAMC Section 12.36-C.

On-Menu Density Bonus Incentives. The list of on-menu incentives in 12.22 A.25 (f) was 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. Density Bonus Incentives are normally necessary to allow adjustments to the zoning regulations in order to accommodate the additional density bonus units that will be built on the site. Typically, this means an increase in height, an increase in floor area, and a reduction in required yards - all for the purpose of increasing the size of the zoning envelope to make room for the additional units. The additional market-rate units then subsidize the rents for the affordable units, so that the project is financially feasible. However, the applicant was not able to utilize the on-menu incentives and has instead sought off-menu incentives.

Off-Menu Incentives – Waiver of Development Standards. The applicant is requesting two waivers from development standards that are not listed as on-menu incentives. These are identified as “off-menu” waivers, and the applicant states that they are required by the Project in order to accommodate the proposed 180 residential units (15 restricted affordable units). Per the

State Density Bonus Program and the LAMC, a project may request as many off-menu waivers as they wish. The waivers require approval by the City Planning Commission. The decision of the City Planning Commission is final, pursuant to LAMC Section 12.22 A.25.

Relief from Wilshire Community Plan General Plan Land Use. The subject property is zoned C2-1. The Wilshire Community Plan General Plan Land Use Map Footnote #5 limits the C2 zone with Neighborhood Commercial Land Use to Height District 1, which does not have a height limit but restricts the floor area ratio (FAR) to 1.5:1. To increase the FAR beyond the limitation of the footnote, the applicant has requested an off-menu incentive. The proposed project will be built to an FAR of 3:1, comprising approximately 160,500 square feet of floor area.

Floor Area Ratio (FAR). A Density Bonus project is permitted a percentage increase in the allowable FAR equal to the percentage of Density Bonus for which the Housing Development Project is eligible, not to exceed 35 percent. The proposed project requests an increase in the allowable FAR from 1.5:1 to 3:1. This represents a 50 percent increase in the FAR, which is more than the eligible density bonus of 35 percent, consistent with LAMC Section 12.22 A.25 (f)(4)(i). However, per Section 12.22 A.25 (f)(4)(ii), if the site fronted on a Major Highway as identified in the City's General Plan, the project could qualify for a 3:1 FAR as on on-menu density bonus incentive. Since the site fronts a Avenue II (7th Street) it does not qualify, and the applicant must request an off-menu incentive to increase the FAR to 3:1.

Parking. By setting aside 15 of the units as very low income affordable units, the project may utilize reduced vehicle parking requirements under LAMC Section 12.22 A.25 Parking Option 1, which permits one on-site parking space for each residential unit with one or fewer bedrooms; two on-site parking spaces for each residential unit with two to three bedrooms; and two-and-one-half parking spaces for each residential unit with four or more bedrooms. Based on the number of units, 200 parking spaces are required. However, due to the site's location within 1,500 feet of a transit stop, 15 percent of the parking spaces may be replaced with bicycle parking, resulting in 170 spaces. In addition, 30 spaces are required for commercial retail uses. Therefore, a minimum of 197 parking spaces is required. Bicycle parking is provided consistent with LAMC Section 12.21 A.16.

Mitigated Negative Declaration. A Mitigated Negative Declaration (MND) was prepared November 26, 2015 and the circulation period ended on December 16, 2015. The MND found that the proposed project would result in potential impacts to aesthetics, greenhouse gas emissions, noise, public services, and transportation; however, these potential impacts can be mitigated to a less than significant level with standard mitigation measures and through compliance with regulatory control measures.

Site Plan Review. The Applicant is requesting a Site Plan Review approval for a project that encompasses 241,960 gross square feet of development.

Background

Surrounding Zones and Uses. The surrounding area is highly urbanized with properties that are primarily zoned for and developed with residential and commercial uses. Properties to the north are zoned C2-2, C4-2 and R5-2. Properties to the east, west and south are zoned C2-1 and R4-2 and area also developed with residential and commercial uses. The area is generally characterized by improved streets and level terrain.

Streets and Circulation:

7th Street: the project frontage is located along 7th Street, a designated Avenue II (formerly a Secondary Highway) with two travel lanes in each direction and improved to a variable width of approximately 83 to 86 feet.

Citywide Design Guidelines The proposed residential mixed-use development is also subject to the Residential Citywide Design Guidelines for Multi-family Residential and Commercial Mixed-Use Projects. These Guidelines provide performance goals for new developments and supplement the Urban Design Principles of the Framework Element. The incorporation of these guidelines will achieve improvement in the design of the overall project, including sound site planning, attractive building design, pedestrian connectivity, attractively landscaped open space and an active streetscape experience. These Guidelines provide specific guidance and as conditioned, the Project will achieve a number of the objectives included in the Guidelines. A full analysis of the project's compliance with these Design Guidelines can be found in the Site Plan Review Findings.

Professional Volunteer Program. Design review as part of the Professional Volunteer Program (PVP) took place on November 3, 2015. Present at the meeting were staff of the Urban Design Studio, Plan Implementation planners, and volunteer architects. At the meeting, the project was introduced by the Urban Design Studio and followed by a presentation that discussed the project site, surrounding area, and proposed project design and functionality. The PVP discussed the building's general design and massing, facade, and landscaping. Specifically, the participating architects mentioned that in order to emphasize active retail uses along the street wall where high pedestrian activity is expected, the parking area should be relocated to the rear of the building, as should the loading access area. Instead, they suggested that the bicycle parking areas be relocated to be closer to 7th Street to ensure visibility and safety. They also suggested that the applicant provide direct access to the courtyards. Additionally, it was recommended that the blank walls near the parking entrance be enhanced with landscaping, public art, or other articulation.

Project Design Revisions. Following the meeting, City Planning staff provided the suggestions to the Applicant, who took the comments under advisement and provided a revised rendering and plans to staff. The modified project design incorporates some of the PVP comments by relocation of the parking area and loading space to the rear of the building. Additionally, access to the courtyards was opened up from 7th street, providing better pedestrian connections as well as more articulation for the façade of the building.

Conclusion

The proposed 180-unit mixed-use residential project with 15 units restricted for Very Low Income households would provide more housing than what is existing on the site, and would contribute towards meeting the Wilshire Community Plan's objective of supplying affordable housing. No existing units would be demolished.

The Density Bonus ordinance allows Applicants to request development waivers if the on-menu incentives cannot be utilized in order to provide affordable housing throughout the City. In this particular case, the project will provide a public benefit of affordable as well as market rate housing in an area well-served by public transit (i.e. Metro bus service lines). The Applicant submitted a pro forma, along with an independent third-party analysis of the pro forma, in order to evaluate the financial feasibility of the off-menu incentives. The analysis concluded that the increased FAR was necessary for the developer to expand the building envelope so that the additional 15 restricted Affordable units can be constructed and support the Applicant's decision to set aside these units for Very Low Income households for a period of 55 years. As proposed, the project is in compliance with the requirements of Section 12.22 A.25 of the LAMC and will create

additional rental housing in the Wilshire Community Plan area. The requested incentives will allow for the development of a residential mixed-use building that is compatible with existing development in the community.

Based on the information submitted, including the public hearing, and mandatory findings for the requested entitlements, the Department of City Planning recommends that the Los Angeles City Planning Commission approve the requested Density Bonus Off-Menu Incentives and the Site Plan Review subject to the Conditions of Approval.

CONDITIONS OF APPROVAL

Entitlement Conditions

1. **Site Development.** Except as modified herein, the project shall be in substantial conformance with the plans and materials submitted by the Applicant, stamped "Exhibit A," and attached to the subject case file. No change to the plans will be made without prior review by the Department of City Planning, Plan Implementation Division, and written approval by the Director of Planning. Each change shall be identified and justified in writing. Minor deviations may be allowed in order to comply with the provisions of the Municipal Code or the project conditions.
2. **Residential Density.** The project shall be limited to a maximum density of 180 residential units including Density Bonus Units.
3. **Affordable Units.** A minimum of fifteen (15) units, that is 11 percent of the 133 base dwelling units, shall be reserved as affordable units, as defined by the State Density Bonus Law 65915 (C)(2).
4. **Changes in Restricted Units.** Deviations that increase the number of restricted affordable units or that change the composition of units or change parking numbers shall be consistent with LAMC Section 12.22 A.25 (9a-d).
5. **Housing Requirements.** Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of the Los Angeles Housing and Community Investment Department (HCIDLA) to make fifteen (15) units available to Very-Low Income Households, for sale or rental as determined to be affordable to such households by HCIDLA for a period of 55 years. Enforcement of the terms of said covenant shall be the responsibility of HCIDLA. The Applicant will present a copy of the recorded covenant to the Department of City Planning for inclusion in this file. The project shall comply with any monitoring requirements established by the HCIDLA. Refer to the Density Bonus Legislation Background section of this determination.
6. **Use.** The project shall be limited to residential and ground floor commercial use.
7. **Floor Area Ratio (FAR).** The project shall be limited to a maximum Floor Area Ratio of 3:1, or 160,500 square feet of floor area.
8. **Height.** The project shall be limited to approximately 62 feet in height.
9. **Automobile Parking.** Vehicle parking shall be provided consistent with LAMC 12.22 A.25, Parking Option 1, which permits one on-site parking space for each residential unit with one or fewer bedrooms; two on-site parking spaces for each residential unit with two to three bedrooms; and two-and-one-half parking spaces for each residential unit with four or more bedrooms. Based upon the number of dwelling units, the Applicant shall provide a minimum of 170 parking spaces for residential use. Additionally, 30 parking spaces shall be provided for commercial use. Of the total parking spaces required, 20 percent shall be configured for Electric Vehicle (EV) parking.
10. **Adjustment of Parking.** In the event that the number of Restricted Affordable Units should increase, or the composition of units should change (i.e. the number of bedrooms, or the number of units made available to Senior Citizens and/or Disabled Persons), and no other Condition of Approval or incentive is affected, then no modification of this

determination shall be necessary, and the number of parking spaces shall be re-calculated by the Department of Building and Safety based upon the ratios set forth above.

- 11. Bicycle Parking.** Bicycle parking shall be provided consistent with LAMC 12.21 A.16. Long-term bicycle parking shall be provided at a rate of one per dwelling unit or guest room. Additionally, short-term bicycle parking shall be provided at a rate of one per ten dwelling units or guest rooms, with a minimum of two short-term bicycle parking spaces. Based upon the number of dwelling units and the permitted replacement of 15 percent of the required automobile parking with bicycle parking per LAMC 12.21 A.4, 188 long-term and 26 short-term bicycle parking spaces shall be provided onsite. This includes 16 spaces for commercial use.
- 12. Landscaping.** All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped, including an automatic irrigation system, and maintained in accordance with a landscape plan prepared by a licensed landscape architect or licensed architect, and submitted for approval to the Department of City Planning. The landscape plan shall indicate landscape points for the project equivalent to **10% more than otherwise required** by LAMC 12.40 and Landscape Ordinance Guidelines "O". The landscape plan shall demonstrate the following:

 - a. The required number of on-site trees calculated at a ratio of one 24-inch tree for every four dwelling units. On-site trees may include street trees in the public right-of-way pursuant to open space requirements of LAMC Section 12.21.G.
 - b. Courtyards on the second floor podium level and all open areas not used for buildings, driveways, parking areas, recreational facilities, or walkways are attractively landscaped and maintained.
- 13. Street Trees.** Install tree wells with root barriers and plant street trees satisfactory to the City Engineer and the Urban Forestry Division of the Bureau of Street Services. The Urban Forestry Division of the Board of Public Works may be contacted at (213) 847-3077 to install the trees.
- 14. Window transparency.** All ground floor windows shall be comprised of clear, transparent and non-reflective glass.
- 15. Building Façade.** The 14-foot wall along 7th Street at the northeast corner of the building, as well as the walls along the east and west elevations shall be articulated with landscaping, a decorative wall, or varying materials. The façade articulation, materials, and colors shall be in general conformance with the Elevations depicted on Exhibit A.
- 16. Open Space.** The project shall provide a minimum of 18,500 square feet of Open Space on the Project Site.

Environmental Conditions

- 17. Aesthetics (Light).** Outdoor lighting shall be designed and installed with shielding, such that the light source cannot be seen from adjacent residential properties or the public right-of-way, nor from above.
- 18. Aesthetics (Glare).** The exterior of the proposed structure shall be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films) and pre-cast concrete or fabricated wall surfaces to minimize glare and reflected heat.

- 19. Green House Gas Emissions.** The project will result in impacts resulting in increased green-house gas emissions. However, the impact can be reduced to a less than significant level though compliance with the following measure(s): Low- and non-VOC containing paints, sealants, adhesives, solvents, asphalt primer, and architectural coatings (where used), or pre-fabricated architectural panels shall be used in the construction of the Project to reduce VOC emissions to the maximum extent practicable. Any new construction shall include 20 percent of parking spaces set aside for EV ready parking.
- 20. Increased Noise Levels (Demolition, Grading, and Construction Activities).** The project shall comply with the City of Los Angeles Noise Ordinance No.161,574, and any subsequent ordinances, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically feasible.
- Construction and demolition shall be restricted to the hours of 7:00 am to 6:00 pm Monday through Friday, and 8:00 am to 6:00 pm on Saturday.
 - Demolition and construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
 - The project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.
- 21. Increased Noise Levels (Mixed Use Development).** Wall and floor-ceiling assemblies separating commercial tenant spaces, residential units, and public places, shall have a Sound Transmission Class (STC) value of at least 50, as determined in accordance with ASTM E90 and ASTM E413.
- 22. Public Services (Fire).** The following recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the approval of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or guest room shall not be more than 150 feet in distance in horizontal travel from the edge of the roadway of an improved street or approved fire lane.
- 23. Public Services (Police – Demolition/Construction Sites).** Fences shall be constructed around the site to minimize trespassing, vandalism, short-cut attraction and attractive nuisances.
- 24. Public Services (Police).** The plans shall incorporate the design guidelines relative to security, semi-public and private spaces, which may include but not be limited to access control to building, secured parking facilities, walls/fences with key systems, well-illuminated public and semi-public space designed with a minimum of dead space to eliminate areas of concealment, location of toilet facilities or building entrances in high-foot traffic areas, and provision of security guard patrol throughout the project site if needed. Please refer to "Design Out Crime Guidelines: Crime Prevention Through Environmental Design", published by the Los Angeles Police Department. Contact the Community Relations Division, located at 100 W. 1st Street, #250, Los Angeles, CA 90012; (213) 486-6000. These measures shall be approved by the Police Department prior to the issuance of building permits.
- 25. Public Services (Construction Activity Near Schools).** The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety. There shall be no staging or parking of construction vehicles, including vehicles to transport workers on any of the streets adjacent to the school. Due to noise impacts on the schools,

no construction vehicles or haul trucks shall be staged or idled on these streets during school hours. The developer and contractors shall maintain ongoing contact with administrators of Hoover Street Elementary School. The administrative offices shall be contacted when demolition, grading and construction activity begin on the project site so that students and their parents will know when such activities are to occur. The developer shall obtain school walk and bus routes to the schools from either the administrators or from the LAUSD's Transportation Branch (323)342-1400 and guarantee that safe and convenient pedestrian and bus routes to the school be maintained.

- 26. Public Services (Schools affected by Haul Route).** Haul route scheduling shall be sequenced to minimize conflicts with pedestrians, school buses and cars at the arrival and dismissal times of the school day. Haul route trucks shall not be routed past the school during periods when school is in session especially when students are arriving or departing from the campus. LADBS shall assign specific haul route hours of operation based upon Hoover Street Elementary School's hours of operation.
- 27. Transportation (Haul Route).** The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety. **(Non-Hillside):** Projects involving the import/export of 20,000 cubic yards or more of dirt shall obtain haul route approval by the Department of Building and Safety.
- 28. Safety Hazards.** The developer shall install appropriate traffic signs around the site to ensure pedestrian, bicycle, and vehicle safety. The applicant shall submit a parking and driveway plan that incorporates design features that reduce accidents, to the Bureau of Engineering and the Department of Transportation for approval.
- 29. Inadequate Emergency Access.** The applicant shall submit a parking and driveway plan to the Bureau of Engineering and the Department of Transportation for approval that provides code-required emergency access.
- 30. Transportation/Traffic.** The Applicant shall plan construction and construction staging as to maintain pedestrian access on adjacent sidewalks throughout all construction phases. This requires the applicant to maintain adequate and safe pedestrian protection, including physical separation (including utilization of barriers such as K-Rails or scaffolding, etc.) from work space and vehicular traffic and overhead protection, due to sidewalk closure or blockage, at all times. Temporary pedestrian facilities should be adjacent to the project site and provide safe, accessible routes that replicate as nearly as practical the most desirable characteristics of the existing facility. Covered walkways shall be provided where pedestrians are exposed to potential injury from falling objects. Applicant shall keep sidewalk open during construction until only when it is absolutely required to close or block sidewalk for construction staging. Sidewalk shall be reopened as soon as feasible taking construction and construction staging into account.

Administrative Conditions

- 31. Final Plans.** Prior to the issuance of any building permits for the project by the Department of Building and Safety, the Applicant shall submit all final construction plans that are awaiting issuance of a building permit by the Department of Building and Safety for final review and approval by the Department of City Planning. All plans that are awaiting issuance of a building permit by the Department of Building and Safety shall be stamped by Department of City Planning staff "Final Plans". A copy of the Final Plans, supplied by the Applicant, shall be retained in the subject case file.

- 32. Notations on Plans.** Plans submitted to the Department of Building and Safety, for the purpose of processing a building permit application shall include all of the Conditions of Approval herein attached as a cover sheet, and shall include any modifications or notations required herein.
- 33. Approval, Verification and Submittals.** Copies of any approvals, guarantees or verification of consultations, review or approval, plans, etc., as may be required by the subject conditions, shall be provided to the Department of City Planning for placement in the subject file.
- 34. Code Compliance.** Area, height and use regulations of the zone classification of the subject property shall be complied with, except where herein conditions may vary.
- 35. Expiration.** In the event that this grant is not utilized within three years of its effective date (the day following the last day that an appeal may be filed), the grant shall be considered null and void. Issuance of a building permit, and the initiation of, and diligent continuation of, construction activity shall constitute utilization for the purposes of this grant.
- 36. Department of Building and Safety.** The granting of this determination by the Director of Planning does not in any way indicate full compliance with applicable provisions of the Los Angeles Municipal Code Chapter IX (Building Code). Any corrections and/or modifications to plans made subsequent to this determination by a Department of Building and Safety Plan Check Engineer that affect any part of the exterior design or appearance of the project as approved by the Director, and which are deemed necessary by the Department of Building and Safety for Building Code compliance, shall require a referral of the revised plans back to the Department of City Planning for additional review and sign-off prior to the issuance of any permit in connection with those plans.
- 37. Definition.** Any agencies, public officials or legislation referenced in these conditions shall mean those agencies, public offices, legislation or their successors, designees or amendment to any legislation.
- 38. Enforcement.** Compliance with these conditions and the intent of these conditions shall be to the satisfaction of the Department of City Planning and any designated agency, or the agency's successor and in accordance with any stated laws or regulations, or any amendments thereto.
- 39. Indemnification and Reimbursement of Litigation Costs.** The Applicant shall do all of the following:
- (i) Defend, indemnify and hold harmless the City from any and all actions against the City relating to or arising out of in whole or in part the City's processing and approval of this entitlement, including but not limited to, an action to attack, challenge, set aside, void, or otherwise modify or annul the approval of the entitlement, the environmental review of the entitlement, or the approval of subsequent permit decisions, or to claim personal property damage, including from inverse condemnation or any other constitutional claim.
 - (ii) Reimburse the City for any and all costs incurred in defense of an action related to or arising out of in whole or in part the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages, and/or settlement costs.
 - (iii) Submit an initial deposit for the City's litigation costs to the City within 10 days' notice of the City tendering defense to the Applicant and requesting a deposit. The initial deposit shall be in an amount set by the City Attorney's Office, in its sole discretion, based on the nature and scope of action, but in no event shall the initial deposit be less than

\$25,000. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).

(iv) Submit supplemental deposits upon notice by the City. Supplemental deposits may be required in an increased amount from the initial deposit if found necessary by the City to protect the City's interests. The City's failure to notice or collect the deposit does not relieve the Applicant from responsibility to reimburse the City pursuant to the requirement in paragraph (ii).

(v) If the City determines it necessary to protect the City's interest, execute an indemnity and reimbursement agreement with the City under terms consistent with the requirements of this condition.

The City shall notify the applicant within a reasonable period of time of its receipt of any action and the City shall cooperate in the defense. If the City fails to notify the applicant of any claim, action, or proceeding in a reasonable time, or if the City fails to reasonably cooperate in the defense, the applicant shall not thereafter be responsible to defend, indemnify or hold harmless the City.

The City shall have the sole right to choose its counsel, including the City Attorney's office or outside counsel. At its sole discretion, the City may participate at its own expense in the defense of any action, but such participation shall not relieve the applicant of any obligation imposed by this condition. In the event the Applicant fails to comply with this condition, in whole or in part, the City may withdraw its defense of the action, void its approval of the entitlement, or take any other action. The City retains the right to make all decisions with respect to its representations in any legal proceeding, including its inherent right to abandon or settle litigation.

For purposes of this condition, the following definitions apply:

"City" shall be defined to include the City, its agents, officers, boards, commissions, committees, employees, and volunteers.

"Action" shall be defined to include suits, proceedings (including those held under alternative dispute resolution procedures), claims, or lawsuits. Actions includes actions, as defined herein, alleging failure to comply with any federal, state or local law.

Nothing in the definitions included in this paragraph are intended to limit the rights of the City or the obligations of the Applicant otherwise created by this condition.

FINDINGS

The proposed project consists of a 62-foot tall mixed-use building that contains 180 residential units and 15,000 square feet of ground floor commercial space. The Applicant proposes to utilize LAMC 12.22 A 25 (Density Bonus), to develop the site with 11 percent (fifteen units) of the base density designated as Very Low Income affordable units. A density bonus is granted in exchange for the Applicant setting aside a portion of their by-right dwelling units for habitation by Very Low income households for a period of 55 years. Consistent with the City's Density Bonus Ordinance, the Applicant is requesting two off-menu development waivers for relief from regulations that are not listed as on-menu Density Bonus Affordable Housing Incentives. These include: 1) relief from the Wilshire Community Plan Map Footnote #5, which limits the C2 zone with Neighborhood Commercial Land Use to Height District 1 (an FAR of 1.5:1; and 2) an increase in FAR from 1.5:1 to 3:1.

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 parking relief 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. The incentives are deviations from the City's development standards, thus providing greater relief from regulatory constraints. Utilization of the Density Bonus/Affordable Housing Incentives Program supersedes requirements of the Los Angeles Municipal Code and underlying ordinances relative to density, number of units, parking, and other requirements relative to incentives, if requested.

Under Government Code Section § 65915(a), § 65915(d)(2)(C) and § 65915(d)(3) the City of Los Angeles complies with the State Density Bonus law by adopting density bonus regulations and procedures as codified in Section 12.22 A.25 of the Los Angeles Municipal Code. Section 12.22 A.25 creates a procedure to waive or modify zoning code standards which may prevent, preclude or interfere with the effect of the density bonus by which the incentive or concession is granted, including legislative body review. The Ordinance must apply equally to all new residential development. If the on-menu incentives cannot provide the necessary relief from development regulations, waivers from the regulations can be requested pursuant to LAMC 12.22.A.25(g).

For the purpose of clarifying the Covenant Subordination Agreement between the City of Los Angeles and the United States Department of Housing and Urban Development (HUD) note that the covenant required in the Conditions of Approval herein shall prevail unless pre-empted by State or Federal law.

Density Bonus/Affordable Housing Incentive Program

1. Pursuant to Section 12.22 A.25(c) of the LAMC, the Director shall approve a Density Bonus and requested Incentive(s) unless the Director finds that:

- i. The incentives are not required 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.*

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 was compiled, or 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 density bonus on-menu incentives are required to provide for affordable housing costs because the incentives by their nature increase the scale of the project. However, this list of on-menu incentives would not provide the relief from the Municipal Code that would be needed to construct the proposed project. Therefore, the applicant has applied for two off-menu incentives, which are waivers from development standards not on the menu of incentives. These are for: relief from a General Plan footnote that limits FAR; and an increase in the FAR beyond the maximum permitted, or 35 percent. Per the State Density Bonus Program and the LAMC, a project may request as many off-menu waivers as they wish. The applicant has identified the off-menu waivers as required in order to accommodate the proposed development of 180 residential units, with 15 restricted for very low income households.

The requested off-menu incentives are not expressed in the Menu of Incentives per LAMC 12.22 A.25(f) and, as such, are subject to LAMC 12.22.A.25(g)(3), which requires a pro forma or other documentation to show that the waiver or modification of any development standards are needed in order to make the Restricted Affordable Units economically feasible. The Applicant submitted a pro forma and an independent third-party review of the pro forma in order to evaluate the financial feasibility of the project, attached as Exhibit D. Scenario 2 evaluated a building with no off-menu incentives and a 35% increase in the 1.5 FAR, or an FAR of 2.025:1; and Scenario 3 evaluated a building with the off-menu incentives that achieves a 3.0 FAR. The analysis concluded that the requested off-menu incentives are necessary to make the project financially feasible. This conclusion is based on a minimum threshold for the return on total development cost that would be required to attract investment capital to the project. The third-party review of the pro-forma determined that the assumptions utilized in the project financial feasibility analysis are reasonable.

The following table shows the relationship between the development costs and its return to the developer. The **Capitalization Rate** (or "cap rate") is the ratio between the net operating income produced by an asset and its capital cost, or the total development costs. It is the rate of return on a real estate investment property based on the expected income that the property will generate. It is used to estimate the investor's return on his investment. The threshold used for this analysis was a minimum acceptable return on development cost of 5.5 percent. This threshold is based on the consultant's analysis of recent project sales for the area using third party data sources and market surveys (e.g. Real Estate Research Corporation, 2015 2nd Quarter data and CoStar data for sale of buildings within a 1-mile radius of the project site since 2012). The scenario of a 35% density bonus without the off-menu incentives would allow an FAR of 2.025:1, but the capitalization rate of 5.2 percent is below the minimum threshold required to attract developer investment. However the scenario with the off-menu

incentives achieves the capitalization rate of 5.9 percent, which exceeds the minimum threshold.

	FAR	Net Operating Income (NOI)	Development Costs	Cap Rate
Scenario	2.025	\$2,283,981	\$43,950,382	5.2%
Scenario	3.00	\$3,033,862	\$51,403,826	5.9%

Minimum Capitalization Rate: 5.5%

The Incentives are necessary to provide a diversity of units in a project that can accommodate units of varying sizes. If the additional FAR is not provided, the size of the units must be reduced and the developer's return on cost does not make the project financially feasible. Therefore, the additional FAR is required in order to provide for affordable housing costs.

- ii. *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 is 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 general plan land use designation shall not constitute a specific adverse impact upon the public health or safety.*

There is no evidence that the proposed incentive 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)). The proposed project and potential impacts were analyzed in accordance with the City's Environmental Quality Act (CEQA) Guidelines and the City's L.A. CEQA Thresholds Guide. These two documents establish guidelines and thresholds of significant impact, and provide the data for determining whether or not the impacts of a proposed project reach or exceed those thresholds.

Analysis of the proposed project involved the preparation of a Mitigated Negative Declaration, which was prepared as Case No. ENV-2015-1705-MND. The MND was published November 26, 2015 and the circulation period ended on December 16, 2015. The MND found that the proposed project would result in potential impacts to aesthetics, greenhouse gas emissions, noise, public services, and transportation; however, these would be mitigated to a less than significant level through the use of standard mitigation measures, which are imposed as Conditions of Approval herein (Conditions 19 through 31). Therefore, there is no substantial evidence that the proposed Project will have a specific adverse impact on the physical environment, on public health and safety, and on property listed in the California Register of Historic Resources. Additionally, the Mitigation Monitoring Program (MMP) prepared with the MND will ensure that the Applicant implements all mitigation measures, and is obligated to provide documentation concerning implementation of the listed mitigation measures to the appropriate monitoring and enforcement agencies.

Site Plan Review

1. 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 General Plan sets forth goals, objectives, and programs that serve as the foundation for all land use decisions. The City of Los Angeles' General Plan consists of the Framework Element, seven State-mandated Elements including Land Use, Mobility, Housing, Conservation, Noise, Safety, and Open Space, and optional Elements including Air Quality and Service Systems. The Land Use Element is comprised of 35 community plans that establish parameters for land use decisions within those sub-areas of the City.

Pursuant to Section 16.05 of the Los Angeles Municipal Code, the applicant requests a Site Plan Review for the proposed project, which results in an increase of 50 or more dwelling units. With the granting of the requested entitlement from the City Planning Commission, the proposed project will be in substantial conformance with the purposes, intent, and provisions of the General Plan and all of its elements.

Framework Element

The Framework Element was adopted by the Los Angeles City Council on December 11, 1996 and re-adopted on August 8, 2001. The Framework Element is a comprehensive document containing purposes, policies, and programs for land use, housing, urban form and neighborhood design, open space, economic development, transportation, infrastructure, and public services. The Framework Element establishes a vision for the long-term development and physical form and character of the City of Los Angeles based on the projected population growth. The proposed project would be in conformance with several goals, objectives, and policies of the Framework Element as described below.

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.

Policies 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.

Goal 3F Mixed-use centers that provide jobs, entertainment, and culture and serve the region.

Objective 4.3 Conserve scale and character of residential neighborhoods.

GOAL 3K Transit stations to function as a primary focal point of the City's development.

Policy 3.15.3 Increase the density generally within one quarter mile of transit stations, determining appropriate locations based on consideration of the surrounding land use characteristics to improve their viability as new transit routes and stations are funded in accordance with Policy 3.1.6.

The Framework Element establishes land use categories whose locations are depicted on the Long-Range Land Use Diagram. These categories are broadly described by ranges of intensity, density, height, and use. The Diagram identifies the subject property as located in the Wilshire Center Regional Center, however, the site is designated for Neighborhood Office Commercial Land Use. Neighborhood Commercial areas contain a diversity of uses that serve daily needs, such as restaurants, retail outlets, grocery stores, community meeting rooms, pharmacies, religious facilities and other similar uses. The clustering of uses minimizes automobile trips and encourages walking to and from adjacent residential neighborhoods. Pedestrian activity will be encouraged by the emphasis on design of buildings, and incorporation of streetscape amenities. Generally, neighborhood districts are at FAR 1.5:1 or less.

The proposed project involves the construction of a mixed-use development containing 15,000 square feet of retail space on the ground floor and 180 dwelling units on the upper levels. The new six-story building will have a floor area of 160,500 square feet with a maximum floor area ratio of 3:1 and building height of 62 feet. The project is also compatible with the surrounding residential developments on properties designated for High Medium Residential General Plan Land Uses in R4 zones.

The Framework Element encourages the development of new mixed-use developments containing multi-family residential and retail commercial uses in proximity to transit and major transportation corridors. The project site is located within a quarter-mile of the Metro Vermont and Wilshire Station located at the northeast corner of the Vermont Avenue and Wilshire Boulevard intersection. The Station serves Purple and Red lines that connect service to the majority of Metro rail lines including the Gold, Expo, and Blue lines, in addition to Amtrak passenger rail and Metrolink commuter rail. In addition, the project fronts on 7th Street, which is designated as Avenue II by the Mobility Element. The site is served by several Metro bus lines, and is located in a convenient location amidst a network of transit that provides access to various local and regional destinations. Furthermore, the applicant is utilizing the Density Bonus Ordinance to increase the allowable density by 35 percent, from 133 dwelling units to 180 dwelling units, which supports the Framework Element's policy to increase density near transit stations.

Land Use Element – Wilshire Community Plan

The Wilshire Community Plan is one of the 35 community plans that comprise the Land Use Element of the City's General Plan. The Wilshire Community Plan was updated and adopted by the Los Angeles City Council on September 19, 2001. The subject property is located within the Wilshire Community Plan Area, and the proposed mixed-use development is consistent with the following goals, objectives, and policies in the Plan:

GOAL 1 *Provide a safe, secure, and high quality residential environment for all economic, age, and ethnic segments of the Wilshire community.*

Policy 1-1.3 *Provide for adequate multiple family residential development.*

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

Policy 1.4-3 *Encourage multiple family residential and mixed-use development in commercial zones.*

Policy 2-2.2 Encourage the incorporation of retail, restaurant, and other neighboring serving uses in the first floor street frontage of structures, including mixed-use projects located in Neighborhood Districts.

Objective 2-3 Enhance the visual appearance and appeal of commercial districts.

The subject site is located in the Wilshire Center Regional Commercial Center, which includes Wilshire Boulevard in the eastern central portion of the Wilshire Community Plan Area and is generally bound by 3rd Street on the north, 8th Street on the south, Hoover Street on the east, and Wilton Place on the west. However, the site does not have Regional Commercial Land Use and is therefore not subject the regulations of the zoning applicable for this Land Use category. Properties designated for Regional Center land use are located on the north side of 7th Street, directly across the street from the proposed project.

The Land Use policy encourages the retention of the City's stable residential neighborhoods and proposes incentives to encourage whatever growth that occurs to locate in neighborhood districts, commercial and mixed-use centers, along boulevards, industrial districts, and in proximity to transportation corridors and transit stations.

The applicant proposes to construct a mixed-use development on a C2-1 zoned property. The proposed building will provide 15 Restricted Affordable Units and 165 market-rate units. The proposed development will provide residential units that are available to various economic, age, and ethnic segments of the Wilshire community and meet the housing needs of the City. The unit mix with varying number of bedrooms will promote individual choice in type and price of housing for existing and future residents.

The proposed project is an infill development that proposes to revitalize the site by developing a mixed-use building providing 15,000 square feet of retail space and 180 dwelling units. The existing commercial building will be demolished, thus the project will not displace any existing residents. As encouraged by the Wilshire Community Plan, the project provides multi-family residential units while incorporating retail space at the ground floor street frontage. The building increases the visual appearance of the area by employing modern and contemporary design with various colors and materials that complement the design. The building will be modulated by the two courtyards at the second floor podium level that breaks up the massing, while maintaining a pedestrian-friendly ground floor base with retail and residential lobby entrance, bicycle parking room, and community amenities wrapping around the parking structure. The ground floor and upper floors will be fenestrated with clear and transparent glass, which minimizes visual impact of parking spaces while strengthening the connection between street-level activities and interior spaces.

Mobility Plan 2035

Mobility Plan 2035 is an update to the City of Los Angeles' General Plan Transportation Element (last adopted in 1999). The Plan provides the policy foundation for achieving a transportation system that balances the needs of all road users and incorporates "complete streets" principles and lays the policy foundation for how future generations of Angelenos interact with their streets. Mobility Plan 2035 includes goals that define the City's high-level mobility priorities. Each of the goals contains objectives that are used to help measure the progress of the Plan and policies, which are broad strategies that guide the City's achievement of the Plan's goals.

Policy 3.3 Land Use Access and Mix: Promote equitable land use decisions that result in fewer vehicle trips by providing greater proximity and access to jobs, destinations, and other neighborhood services.

Policy 3.8 Bicycle Parking: Provide bicyclists with convenient, secure and well-maintained bicycle parking facilities.

The proposed mixed-use building is a pedestrian-oriented development that provides affordable and market-rate housing and retail uses in proximity to several transit options. As previously mentioned, the project site is located within a quarter-mile of the Metro Vermont and Wilshire Station that serves the Purple and Red lines with connecting service to various rail lines, including the Metro Gold, Expo, and Blue lines, Amtrak passenger rail, and Metrolink commuter rail. The site is also served by Metro bus lines. These transit stations provide access to employment centers and jobs, local and regional destinations, and other neighborhood services for project residents. In addition, the project provides 214 short-term and long-term bicycle parking spaces and a bicycle parking room that provides convenient, secure, and easily accessible parking facilities. The Mobility Plan incorporates the complete streets principles to accommodate all modes of transportation including foot traffic and bicyclists. The proposed project incorporates pedestrian-friendly building design that activates the street and bicycle parking facilities while being located in proximity to various transit stations. As proposed and conditioned, the project conforms to the goals, objectives, and policies of the Mobility Plan 2035.

- 2. 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 are or will be compatible with existing and future development on adjacent properties and neighboring properties.**

The proposed project involves the construction of a 62-foot, six-story mixed-use building that contains 15,000 square feet of retail space and 180 dwelling units on a 53,500-square-foot site. Properties to the immediate north of the project site, across 7th Street, are zoned C2-2 and improved with a surface parking lot for Southwestern Law School and a four-story office building. These properties have Regional Center Commercial land use. Adjacent properties to the east and west are zoned C2-1 and improved with two- to three-story multi-family residential buildings. Lots located to the south of the project site are zoned R4-2 and improved with two to five-story multi-family residential buildings, along with some vacant lots. Neighboring properties along 7th Street, Wilshire Place, and Westmoreland Avenue are zoned C2-1 and C2-2 and improved with retail, commercial, residential, and institutional buildings that range in height from one to four stories.

Building Arrangement (Height, Bulk, and Setbacks)

The project site is located within the Wilshire Community Plan area. The site is zoned C2-1 and designated for Neighborhood Office Commercial General Plan Land Use by the Wilshire Community Plan. The C2 zone allows residential density per the R4 zone, which requires a minimum lot area of 400 square feet per dwelling unit. With the lot area of 53,500 square feet, the project site is allowed a maximum of 133 dwelling units. Pursuant to the Density Bonus Ordinance, the applicant requests a 35-percent density bonus, which allows a maximum of 180 dwelling units including 47 density bonus units.

Height and FAR

There is no height limitation for C2 zoned properties in Height District 1. However, Footnote #5 of the Wilshire Community Plan General Plan Land Use Map limits development with C2 zoning and Neighborhood Commercial Land Use to a floor area ratio (FAR) of 1.5:1. Section 12.03 of Los Angeles Municipal Code allows the buildable area to have the same meaning as lot area. The allowable FAR of 1.5:1 of the 53,500-square-foot lot permits a maximum of 80,250 square feet of buildable area for the proposed project. However, the applicant seeks off-menu density bonus incentives to relieve the project from Footnote #5 and increase the allowable FAR to 3:1, which permits a maximum of 160,500 square feet of floor area. With approval from the City Planning Commission, the project conforms to the height and bulk requirements. Furthermore, the new six-story building will have a height of 62 feet. The proposed project will be compatible with adjacent and neighboring commercial and multi-family residential developments that range in height from one- to five stories.

Setbacks

Pursuant to Section 12.14-C. of the LAMC, buildings in a C2 zone are not required to provide a front yard. Side and rear yards are not required for the commercial portion of a building, but for all portions of buildings erected and used for residential purposes, side and rear yards conforming to the requirements of the R4 zone shall be provided and maintained at the floor level of the first story used in whole or in part for residential purposes. The R4 zone requires a minimum of five feet side yard with one additional foot to be added to the five feet for each additional story above the second story. The rear yard requirement in the R4 zone is a minimum of 15 feet with one additional foot added to the 15 feet for each additional story above the third story.

The project is a mixed-use residential development with 15,000 square feet of commercial uses on the ground floor and residential units on levels two through six. The new building will maintain a zero-foot front yard for both commercial and residential portions of the building along the property line on 7th Street and a zero-foot side and rear yard for the commercial portion on the ground floor. The new building contains residential uses on the second to sixth floors and is required to provide eight-foot side yards along east and west property lines and a 17-foot rear yard along the south property line. The project proposes nine-foot side yards and an 18-foot rear yard, which conforms to the setback requirements of the LAMC. In addition, the residential portions provide one additional foot of side and rear yards that are required, given that the project abuts residential buildings to the east, south, and west. Therefore, as proposed and conditioned, the project will be adequately set back from neighboring developments.

Off-Street Parking Facilities, Loading Areas, Trash Collection*Parking*

According to Section 12.22.A.25(d) of the Municipal Code, development projects that qualify for a Density Bonus may utilize Parking Option 1 or Parking Option 2. The applicant proposes to provide parking per Parking Option 1, which requires one on-site parking space for each residential unit of zero to one bedroom; two on-site parking spaces for each residential unit of two to three bedrooms; and two-and-one-half on-site parking spaces for each residential unit of four or more bedrooms. Based on the proposed 50 studio, 110 one-bedroom, and 20 two-bedroom units, the project is required to provide 200 on-site parking spaces for the 180 dwelling units. Pursuant to Section 12.21.A.4. of the LAMC, residential buildings that are located within 1,500 feet of a portal of a fixed rail transit station, bus station, or other similar transit facility may replace up to 15 percent of the required automobile parking spaces with bicycle parking. The project provides the code-required number of bicycle parking spaces and therefore is allowed to replace 15

percent, or 30 spaces, of the required 200 automobile parking spaces. The project proposes to provide 171 parking spaces for the residential use.

The project site is located within a State Enterprise Zone. Section 12.21-A.4(x)(3) of the LAMC allows projects within State Enterprise Zones to utilize a lower parking ratio of two parking spaces for every one thousand square feet of combined gross floor area of retail uses. The project proposes 15,000 square feet of retail space on the ground floor. Utilization of the State Enterprise Zone parking incentive allows the project to provide a minimum of 30 parking spaces on site. The project proposes to provide five additional parking spaces for the retail component. In total, the project will provide 206 on-site parking spaces for retail and residential uses.

In accordance with Sections 12.21-A.4, 12.21-A.16, and 12.21-A.5, the project is required to provide 198 bicycle parking spaces on site for residential uses. A total of 214 bicycle parking spaces consisting of 180 long-term and 18 short-term spaces, are proposed.

The project will have one ingress/egress driveway on 7th Street, providing access to the parking garage consisting of one subterranean and one at-grade level. The project initially proposed a bicycle parking area at the rear of the garage, accessed via a narrow walkway from 7th Street. During the Professional Volunteer Program meeting the team recommended that the bicycle parking be relocated directly off of 7th Street to ensure visibility and safety. The project responded by relocating the bicycle parking area to the front of the building with doors that provide direct access to the area from 7th Street.

Loading Areas and Trash Collection

The loading area for the retail component is located adjacent to the retail space within the parking garage at the ground level, which would reduce conflict between visitor and residential parking for the proposed building and not impact vehicular traffic on the street. The project is conditioned to provide a loading space in compliance with Section 12.21-C.6. of the LAMC. Trash collection areas for both retail and residential are located within the parking garage as well and would not be publicly visible from 7th Street and Wilshire Place. The trash collection areas will be enclosed to minimize disturbance and nuisance to the visitors and residents.

Landscaping

Section 12.21-G of the Municipal Code requires 100 square feet of open space for each residential unit having less than three habitable rooms; 125 square feet of open space for each residential unit containing three habitable rooms; and 176 square feet of open space for each residential unit containing more than three habitable rooms. The project proposes 50 studio, 110 one-bedroom, and 20 two-bedroom units. Based on the proposed unit mix and habitable rooms, the project is required to provide 18,500 square feet of open space area. However, the project is proposing to provide approximately 18,600 square feet of open space.

Section 12.21-G.2 requires a minimum of 25 percent of the common open space area to be planted with ground cover, shrubs, or trees. According to the landscape plan submitted by the applicant, the project provides 3,228 square feet of planted area, which constitutes 26 percent of the 12,318 square feet of common open space area.

Residential Citywide Design Guidelines

The City of Los Angeles' General Plan Framework Element and the 35 Community Plans that comprise the City's Land Use Element promote architectural and design excellence

in buildings, landscape, open space, and public space and emphasize the preservation of the City's character and scale. The Citywide Design Guidelines have been created to implement the 10 Urban Design Principles of the Framework Element, which are a statement of the City's vision for the future of Los Angeles, providing guidance for new development and encouraging projects to complement existing urban form in order to enhance the building environment in Los Angeles. The Citywide Design Guidelines contain design principles and measures that address the different elements of site and building design based on land use. Each section is organized by overarching objectives followed by a list of specific strategies. The proposed mixed-use development is subject to the Residential Citywide Design Guidelines for Multi-Family Residential and Commercial Mixed-Use Projects and conforms to the following objectives and strategies:

OBJECTIVE 1 *Consider neighborhood context and linkages in building and site design*

Site Planning 3 *Create a strong street wall by locating building frontages at the front property line where no setback requirement exists, or at the required setback. Where additional setback is necessary or a prevailing setback exists, activate the area with a courtyard or "outdoor room" adjacent to the street by incorporating residential amenities such as seating or water features, for example.*

Site Planning 5 *Locate a majority of code-required open space at the ground level in a manner that is equally accessible to all residential units to promote safety and the use of outdoor areas. In mid- and high-rise buildings, podiums between buildings and rooftop areas can be used as common areas.*

Building Orientation 1 *Design small lot subdivisions, low-rise townhomes, and apartment buildings to ensure that all street-fronting units have a primary entrance facing the street. Alternatively, for Medium and High-Medium density buildings without ground floor entrances for individual units, create a prominent ground or first floor entry, such as a highly visible lobby or atrium.*

Building Orientation 2 *Locate gathering spaces such as gyms, recreation rooms, and community space at the ground level and accessible to the street.*

Entrances 4 *Promote pedestrian activity by placing entrances at grade level or slightly above, and unobstructed from view from the public right-of-way. Entryways below street level should be avoided.*

Entrances 6 *Maintain an active street presence for ground floor retail establishments in mixed-use projects by incorporating at least one usable street-facing entrance with doors unlocked during regular business hours.*

The building is placed at the north property line with a zero-foot front yard, which creates a strong street wall along 7th Street and contributes to a strong presence of the building façade that is articulated with various architectural features and materials. Furthermore, the project locates a community room and a gym at the ground level along the property line and two courtyards at the second floor podium levels, facing the street. This placement of gathering and open spaces at the street level and in public view creates an active street presence of the building and contributes to increased pedestrian activities along the street. Entrances to the residential lobby area, bicycle parking room, community amenities, and retail space are located at the ground level and are easily accessible by visitors, by-passers, and residents.

Objective 2 *Employ distinguishable and attractive building design*

Entrances 6 *In mixed-use projects, ensure that ground floor uses maintain a high degree of transparency and maximize a visual connection to the street by providing clear and unobstructed windows, free of reflective glass coatings, exterior mounted gates, or security grills.*

Building façade 1 *Add architectural details to enhance scale and interest on the building façade by breaking it up into distinct planes that are offset from the main building façade.*

Building Façade 2 *Design multi-family buildings to convey individual residential uses, even when applying a modern aesthetic. Modulated facades can prevent residential buildings from appearing commercial.*

Building Façade 4 *Alternate different textures, colors, materials, and distinctive architectural treatments to add visual interest while avoiding dull and repetitive facades.*

Building Façade 6 *Treat all facades of the building with an equal level of detail, articulation, and architectural rigor.*

Building Façade 10 *Orient windows on street facing units toward public streets, rather than inward, to contribute to neighborhood safety and provide design interest.*

Building Materials 1 *Approach character-defining details in a manner that is true to a style of architecture or common theme.*

Building Materials 4 *Apply changes in materials purposefully and in a manner corresponding to variations in building mass.*

The proposed building design alternates various materials, colors, articulation, and modulation that maintains an attractive presence and enhances scale and visual interest along the street. The proposed modern and contemporary building utilizes a wide range of materials that are harmonious and visually appealing. The building façade is comprised of wood composite, plaster with varying colors, aluminum panels, and board foam concrete. Each of these materials is strategically placed to accentuate the building form and correspond to variations in the building mass. The building also alternates materials vertically and horizontally, which helps in breaking up the building mass and planes. These materials are also consistent with the modern and contemporary architectural theme of the building. The ground floor of the building will consist of glass transom, windows, and doors. The project is conditioned to provide clear, transparent, and non-reflective windows to increase visual connection between the street and interior spaces and reduce potential impacts of glare. All building facades and each level maintain high level of transparency and fenestration, which enlivens the street frontage and creates foot traffic.

The two courtyards that are located at the second floor podium level break up the massing of the building as it provides void spaces from levels two through six and creating three residential blocks above a continuous ground floor base. This provides a strong rhythmic design and modulation along the street frontage while reducing the impact of a giant block throughout the whole elevation on 7th Street. The project also provides balconies on all building facades, which increases articulation and a sense of dimension.

Objective 4 *Minimize the appearance of driveways and parking areas*

Off-Street Parking and Driveways 1 Prioritize pedestrian access first and automobile access second. Orient parking and driveways toward the rear or side of buildings and away from the public right-of-way.

Off-Street Parking and Driveways 5 Wrap structures with active uses such as housing units or retail spaces on the ground floor.

The new mixed-use building contains a parking garage with one ingress/egress driveway off 7th Street, which will be located towards the east side of the building and away from the residential lobby and retail entrances. The building aligns the retail use, bicycle parking area, and community amenities along the street wall at the ground floor and places the parking structure to the rear of the building. As proposed, the building conforms to the Design Guidelines and minimizes the appearance of the parking area and driveway.

Open Space and Recreation Activities 1 Activate all open areas not used for buildings, driveways, parking, recreational facilities, or pedestrian amenities with landscaping. Landscaping may include any practicable combination of shrubs, trees, ground cover, minimal lawns, planter boxes, flowers, or fountains that reduce dust and other pollutants and promote outdoor activities, especially for children and seniors.

Open Space and Recreation Activities 2 For buildings with six units or more, cluster code-required common open space areas in a central location, rather than dispersing smaller less usable areas throughout the site.

The project centralizes common open space areas to the two courtyards located at the second floor podium level. These two courtyards will be easily accessible by the residents and visible from the public right-of-way. The project will be conditioned to activate the proposed open space areas that are not used for buildings, driveways, parking areas, recreational facilities, or walkways to be attractively landscaped and maintained in order to increase visual presence and create an attractive community space.

3. Any residential project provides recreational and service amenities to improve habitability for its residents and minimize impacts on neighboring properties.

The proposed project provides open space areas and community amenities to improve habitability for its residents and minimize impacts on neighboring properties. The project will contain approximately 18,600 square feet of open space. This includes common open space with a community room court yard and rear yard, as well as private deck area.

PUBLIC HEARING

Summary of Public Hearing Testimony and Communications Received

The Public Hearing on this case was held at Los Angeles City Hall, 200 North Spring Street, 10th Floor Hearing Room 1070, Los Angeles, CA 90012 on Wednesday, December 23, 2015, at 10:00 AM.

1. Present: 6 people signed in at the Public Hearing
2. The project's architect, Christopher Pak, described the project and the requested entitlements

Summary of Public Hearing Testimony

No members of the public provided comments. There was a representative from Council District 1 but he did not speak on the project.

Communications Received

One written communication from CREED LA, dated November 30, 2015, was received regarding the project. The letter requested a copy of any and all records related to the proposed project, as well as a request for mailed notice of any and all hearings and/or actions related to the Projects.

EXHIBIT A

PROJECT PLAN & RENDERINGS
CPC-2015-1703-DB-SPR



2972 W. 7TH STREET

LOS ANGELES, CA

D A T U M



JAN, 2016

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2972 W. 7TH STREET

Los Angeles, California

CPC-2015-1703

D A T U M



2972 W. 7th Street

Zoning	Existing	C2-1	Proposed	C2-1
Lot Area	C2-1			53,500.0
	Total			53,500.0
Density	Allowable Unit # (400 sf/unit per C2-1)	133	Proposed Unit # w/ 35% Density Bonus	180
FAR	Allowable (C2-1)	1.5	Proposed	3.00
FAR Calc Area (S.F.)	Allowable (Lot Area * 1.5)	80,250	Proposed	160,550

Parking		Required	Proposed	
	Studio (1 space)	50		
	1br (1 space)	110		
	2br (2 spaces per Parking Option 1)	40		
	Residential Total	200		
	Residential Total w/ 15% Reduction (per transit bonus)	170		171
	Retail Total	30		35
	Total	197		206

Bike Parking	Required*		Proposed	
	RESIDENTIAL		RESIDENTIAL	
	LONG TERM (1/UNIT)	180		180
	SHORT TERM (1/10 UNITS)	18		18
	SUB TOTAL	198		198
	RETAIL		RETAIL	
	LONG TERM (1/2000 SF)	8		8
	SHORT TERM (1/2000 SF)	8		8
	SUB TOTAL	16		16
	Total	214		214

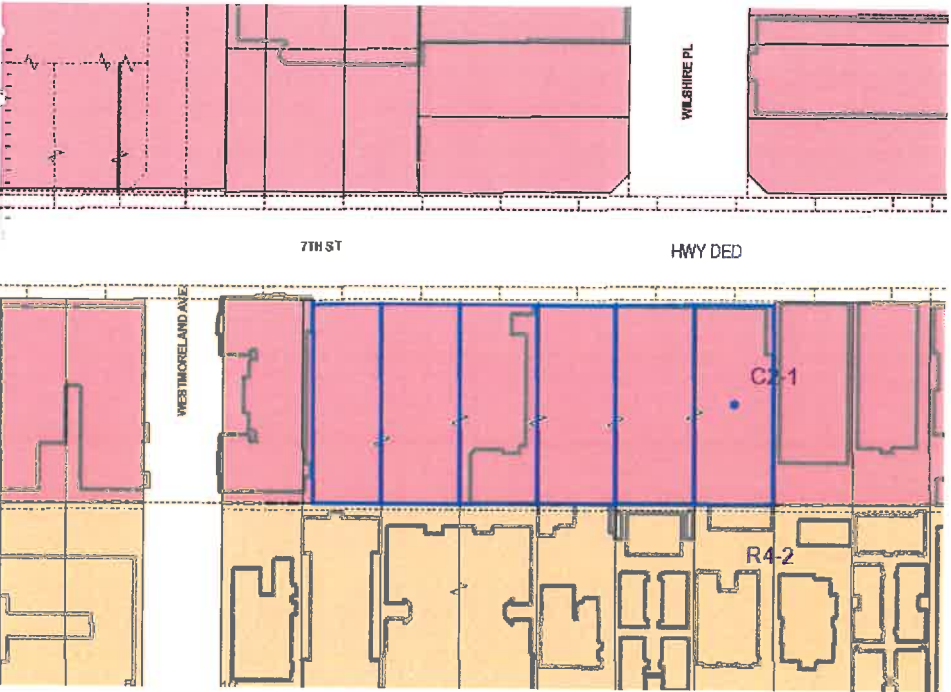
Open Space	Unit #	Required	Proposed	
	Studio (100 sf)	50	5,000	
	1 BR (100 sf)	110	11,000	
	2 BR (125 sf)	20	2,500	
			Common Open Space	
			Comm Rm	2,000
			Court yard	10,318
			Rear yard	0
			common total	12,318
			Private Open Space	
			Private Deck	6,300
	Total	18,500	Total	18,618

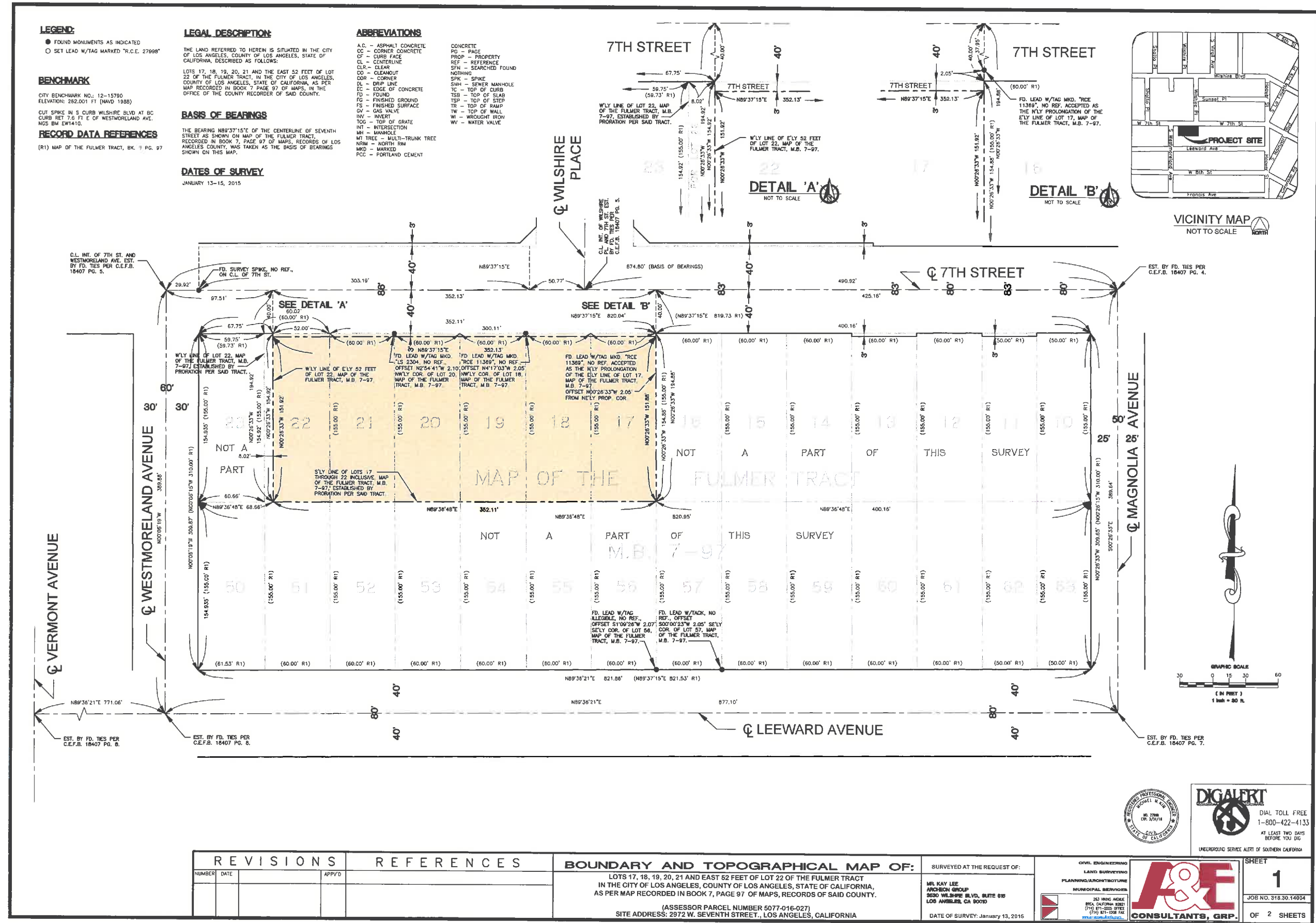
Unit Count		STUDIO(AFF)	STUDIO(MR)	1BR(AFF)	1BR(MR)	2BR(AFF)	2BR(MR)	TOTAL
	2F	4	6	4	18	4	0	36
	3F	0	10	0	22	3	1	36
	4F	0	10	0	22	0	4	36
	5F	0	10	0	22	0	4	36
	6F	0	10	0	22	0	4	36
	TOTAL	4	46	4	106	7	13	180
	% of Total	2.2%	25.6%	2.2%	58.9%	3.9%	7.2%	100.0%

AFFD: Market Rate ratio	Total	180 units	Market Rate	165	Affordable	15*
	% of Total	100%		91.67%		8.33%

Gross Area		Parking	Retail	Residential	Circulation(corr. Etc)	Total
	Basement Total	51,500				51,500
	Ground	29,910	15,000	3,500	1,590	50,000
	2F			23,292	4,800	28,092
	3F			23,292	4,800	28,092
	4F			23,292	4,800	28,092
	5F			23,292	4,800	28,092
	6F			23,292	4,800	28,092
	Ground Total	29,910	15,000	119,960	25,590	190,460
	Total	81,410	15,000	119,960	25,590	241,960

Net Residential Rentable (w/o Amenities)	116,460
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2972 W. 7TH STREET

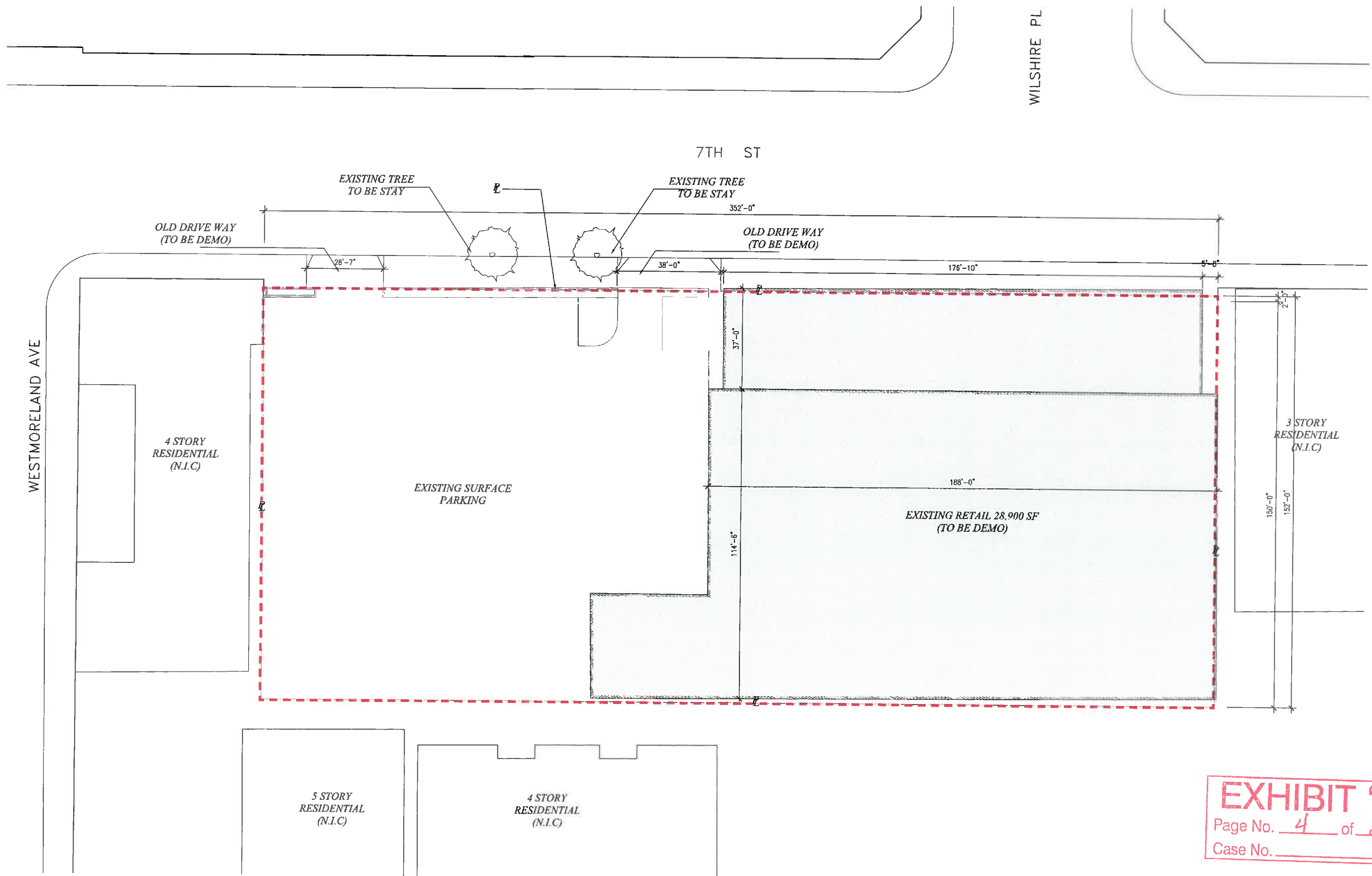
Los Angeles, California

CPC-2015-1703

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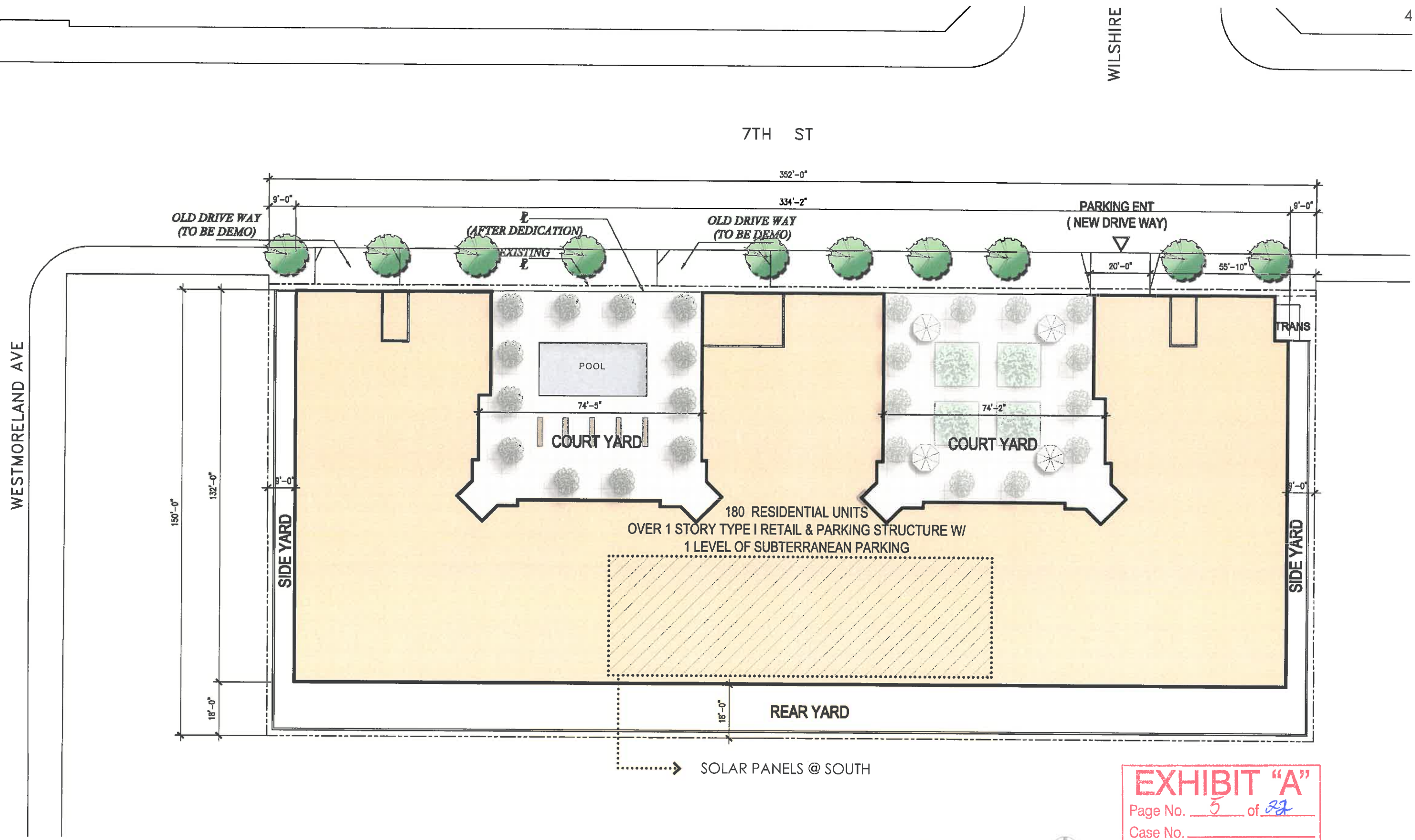
CPC-2015-1703

SURVEY PLAN

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Los Angeles, California

SITE PLAN

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WESTMORELAND AVE

WILSHIRE PL

7TH ST

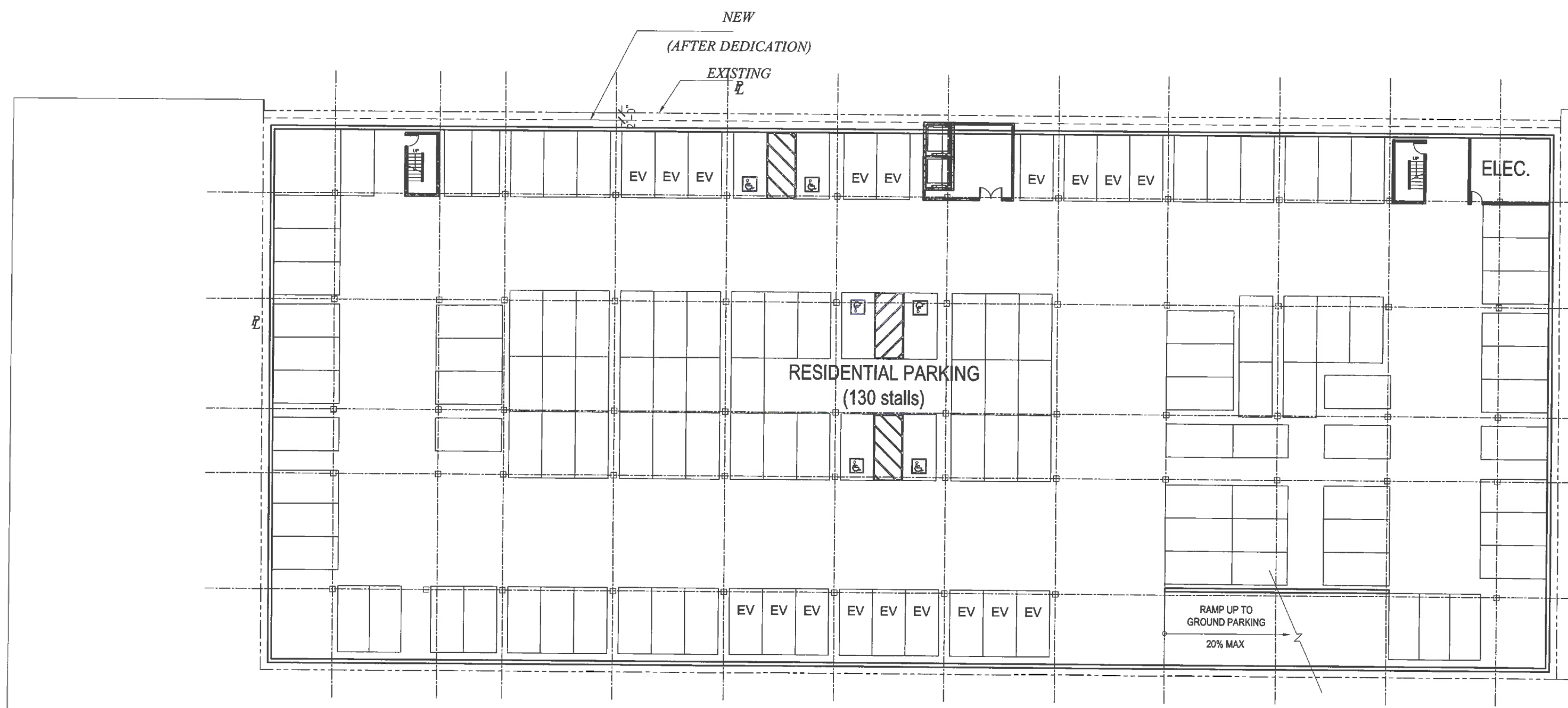
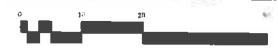


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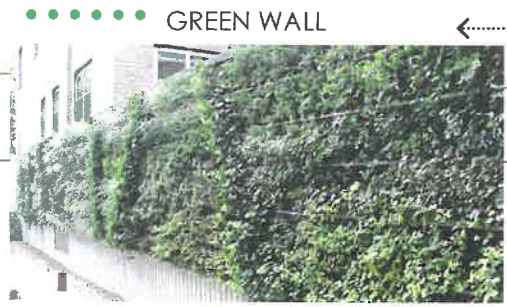
B1 LEVEL



D A T U M



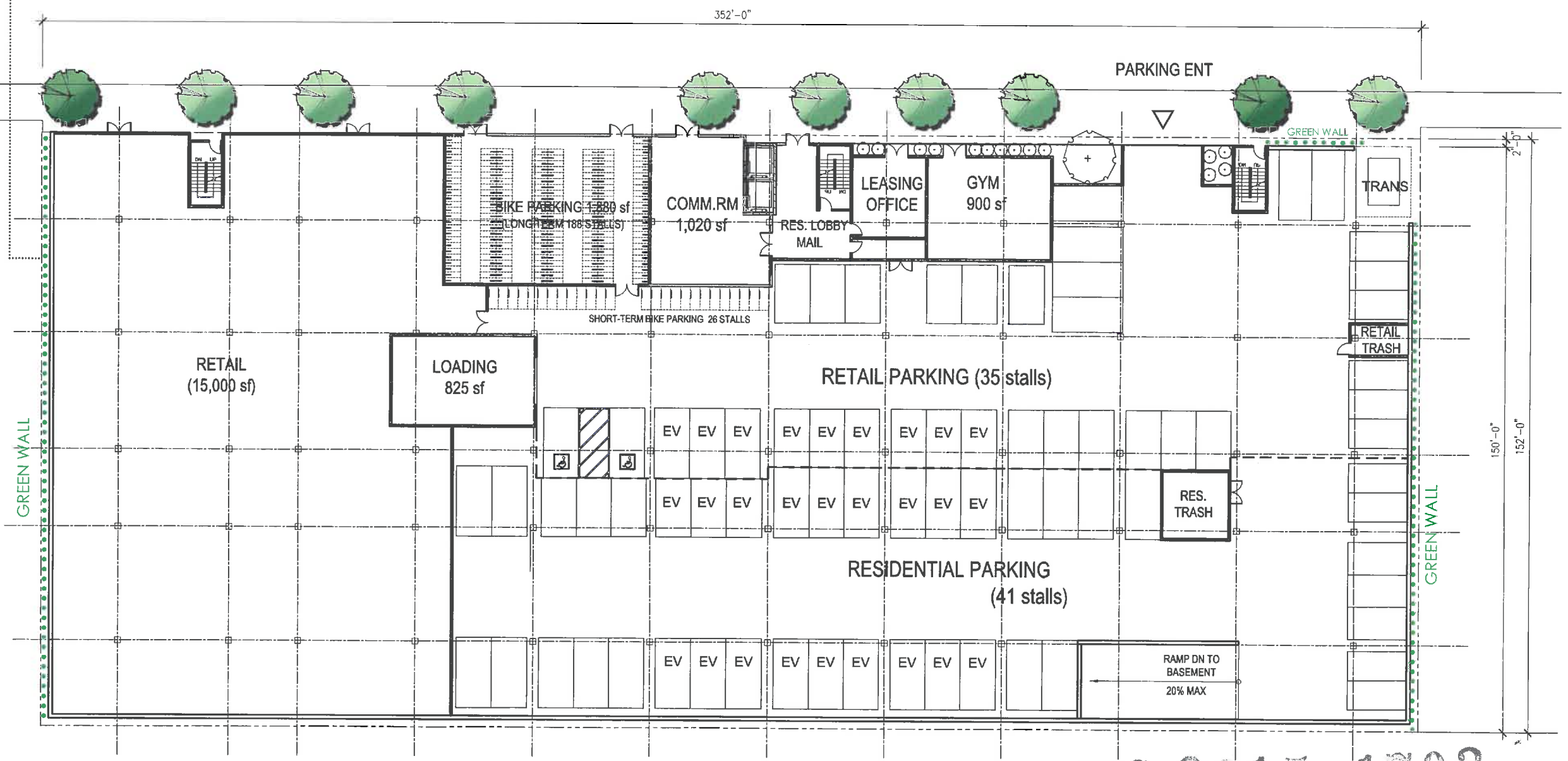
CPC-2015-1709



WESTMORELAND AVE

WILSHIRE PL

7TH ST



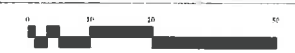
CPC-2015-1703

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GROUND FLOOR



D A T U M



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SECOND FLOOR



D A T U M



WESTMORELAND AVE

7TH ST

WILSHIRE PL

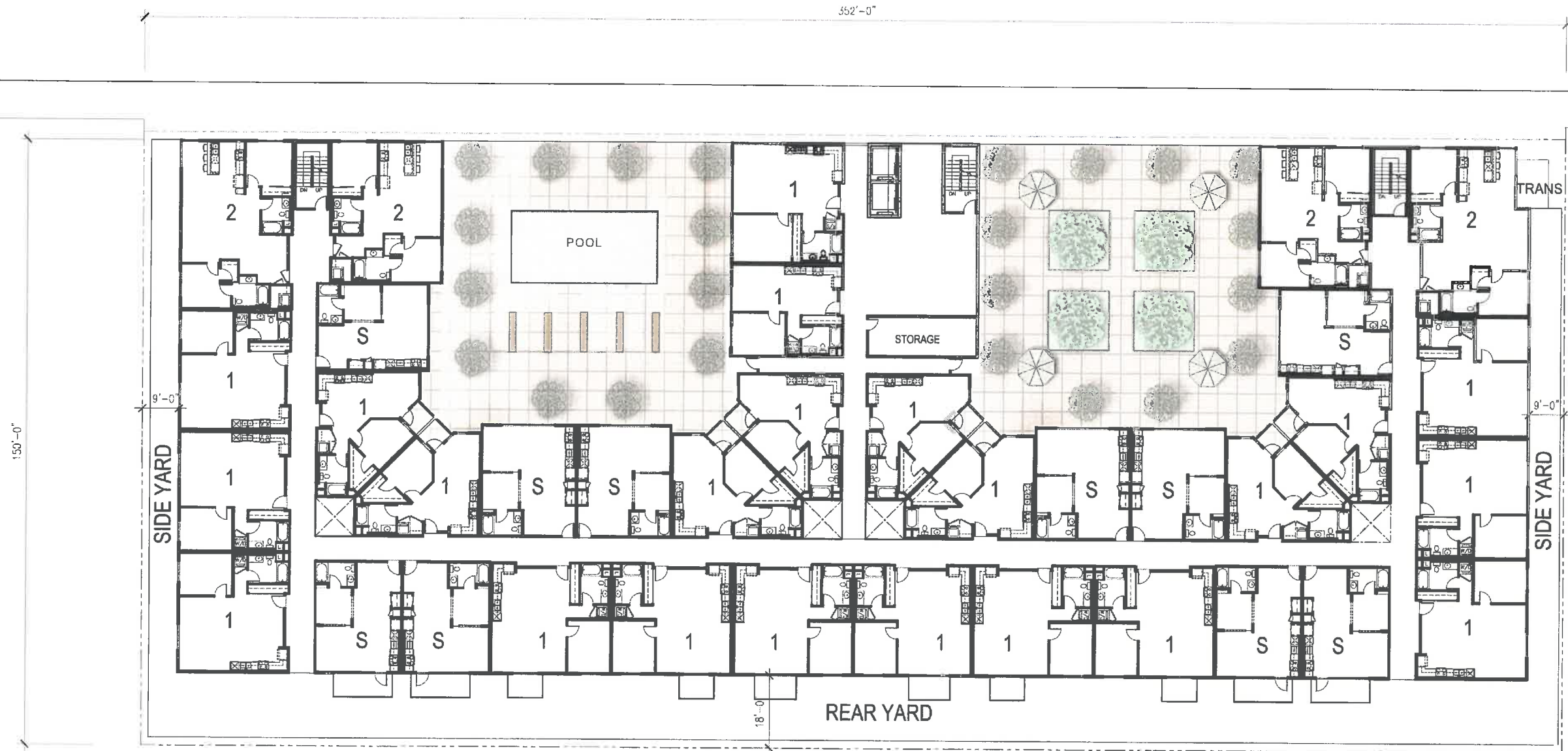
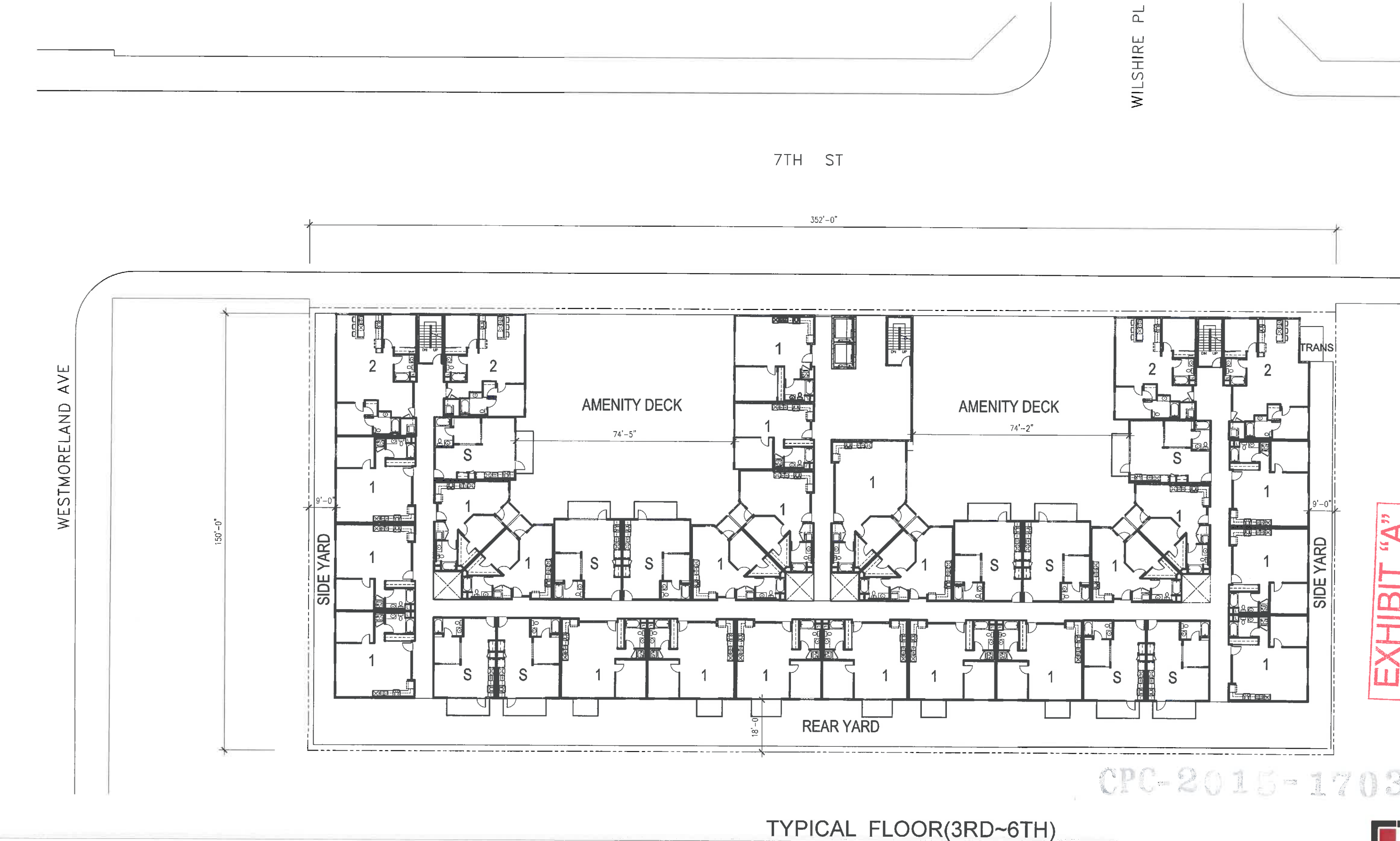


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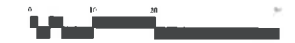
CPC-2013-1703



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TYPICAL FLOOR(3RD~6TH)

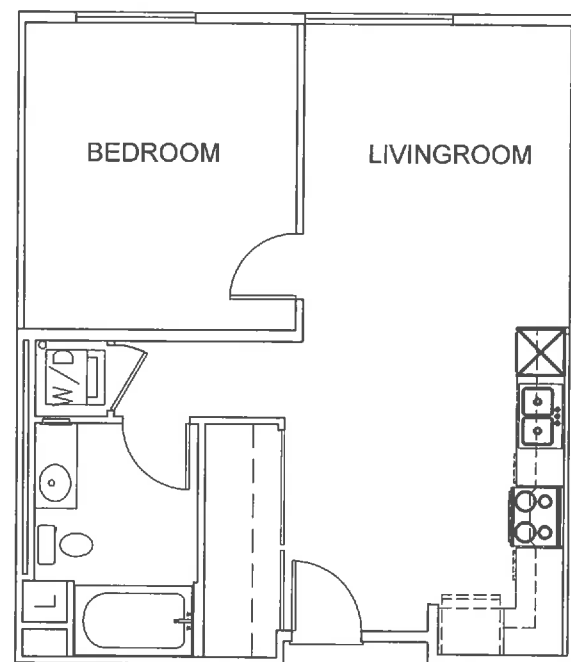


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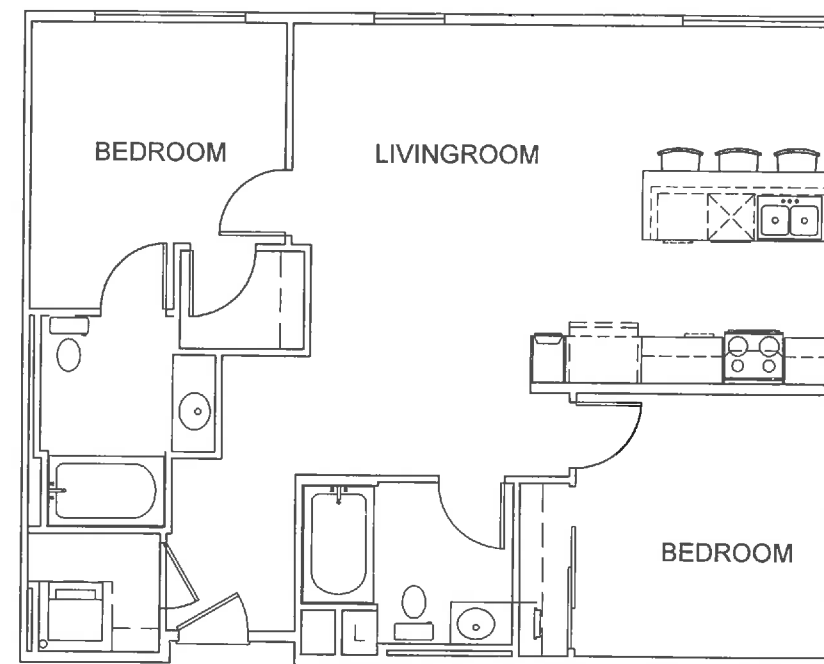


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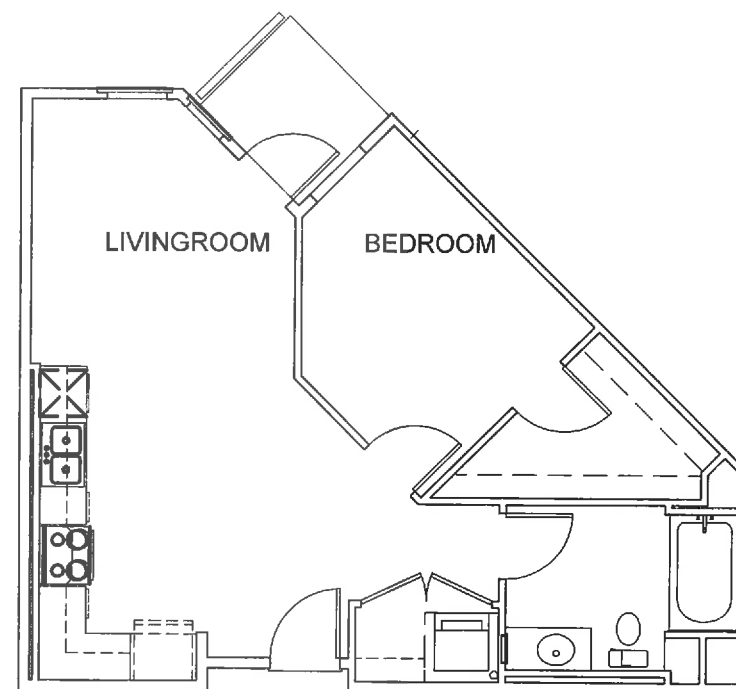
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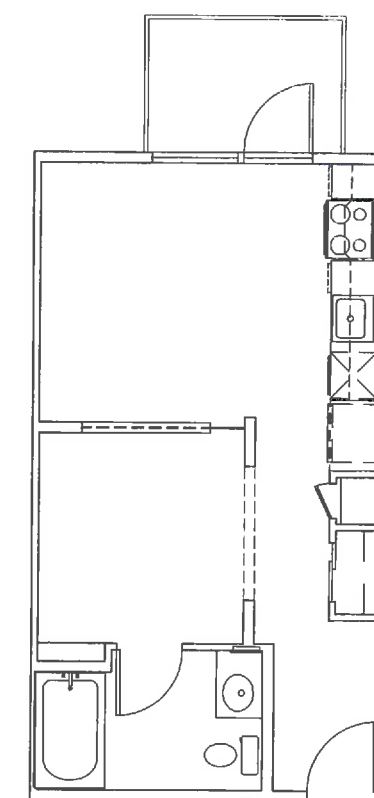
1BR A



2BR



1BR B



STUDIO

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UNIT PLANS

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NORTH ELEVATION



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WEST ELEVATION



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EAST ELEVATION



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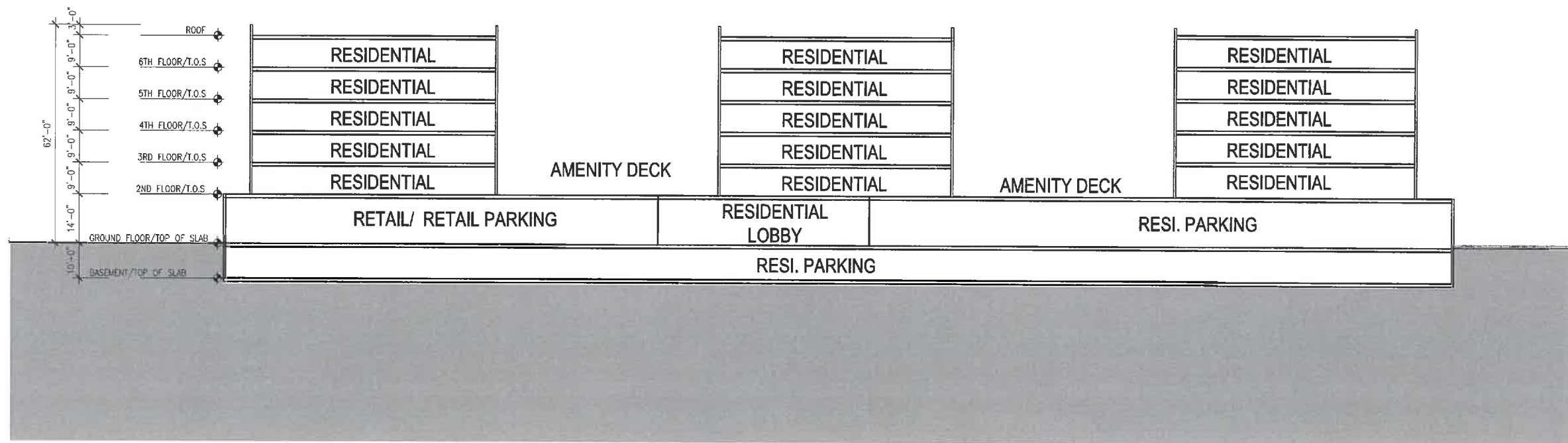
Los Angeles, California

SOUTH ELEVATION



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Los Angeles, California

SECTION

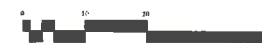


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2972 W. 7TH STREET

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STREET VIEW

CFC-2013-1793

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STREET VIEW

D A T U M





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STREET VIEW

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STREET VIEW

2972 W. 7TH STREET

Los Angeles, California

D A T U M



LEGEND

- 1-FINISH GRADE
- 2-ROOTBALL SET 1 1/2" ABOVE ADJACENT UNDISTURBED GRADE
- 3-MULCH PER SPECIFICATIONS; SET MULCH LAYER 1" ABOVE TOP OF ROOTBALL A 2" ABOVE FINISH GRADE
- 4-PLANT TABLETS PER PLANTING NOTES
- 5-BACKFILL MIX PER PLANTING NOTES
- 6-4" ZONE OF OVER-DIGGATED AND RECOMPACTED NATIVE SOIL
- 7-NATIVE SUB-GRADE

NOTES:

1. KEEP MULCH 3" FROM STEM OF PLANT
2. CONTRACTOR MAY MULCH WATERING BASINS DURING MAINTENANCE PERIOD, BUT MUST REMOVE MULCH AT PROJECT TURN-OVER

(A) SHRUB PLANTING

LEGEND

- 1-2" DIAMETER LARGE POLE STAKES (2) EACH FOR 24" BOX TREE AND SHAPES
- 2-BLURRED CRACK TIES-HIN (4) FOR TREE
- 3-PLANT TABLETS PER SPECIFICATIONS
- 4-FINISH GRADE
- 5-NATIVE SUBGRADE
- 6-BACK FILL MIX PER SPECIFICATIONS
- 7-TREE STEM
- 8-ROOTBALL: SET ABOVE ADJACENT FINISH GRADE
- 9-DECOMPOSED GROUNDWATER MULCH (STREET LOCATIONS) SET MULCH LAYER 1" ABOVE TOP OF ROOTBALL, SET MULCH LAYER 2" ABOVE FINISH GRADE

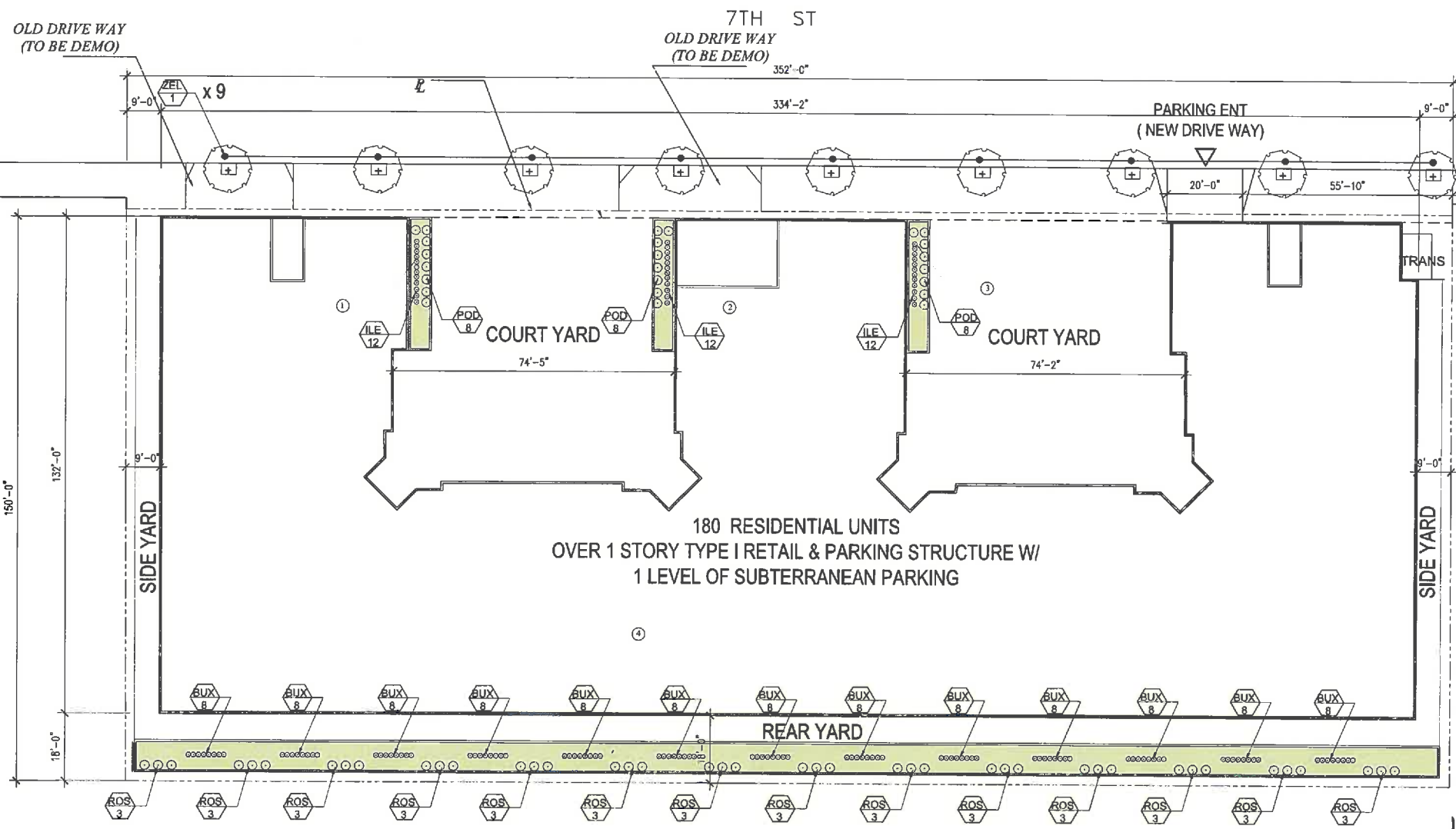
SECTION

PLAN VIEW

NOTES:

1. KEEP MULCH 3" FROM STEM OF PLANT
2. NO WATERING BASINS
3. SEE DETAILED FOR TREES LARGER THAN 24" BOX
4. USE GALVANIZED NAILS TO SECURE CRACK TIES TO STAKES

(B) TREE PLANTING AND STAKING



- PLANTING NOTES**
1. **EXISTING CONDITIONS:** Contractor to verify all locations and conditions of site. Locate all existing utilities before construction begins. Coordinate all work with other trades.
 2. **SOIL TEST AND ANALYSIS:** Prior to commencement of planting, the Contractor shall obtain an agronomic soil test and analysis. Soil preparation for planting shall follow recommendations of soil test. Provide a copy of the soil test and analysis report to the Owner's Authorized Representative. Report will be submitted to Governing Agency as required by Water Efficient Landscape Ordinance.
 3. **FINISH GRADE:** Finish Grades shall be those indicated on the Drawings or as may be controlled by existing indications. Grades not otherwise indicated shall be uniform, straight lines, with no abrupt changes in the surface. Finish elevations shall be 1-1/2" below paved surfaces, mow strips, and curbs. Provide positive drainage away from all foundations and structures, without low spots or pockets.
 4. **TREE, SHRUBS AND PLANTS:** Provide trees, shrubs and plants of quantity, size, genus, species and variety shown and scheduled for landscape work and complying with recommendations and requirements of ANSI Z60.1 "American Standard for Nursery Stock." Provide healthy, vigorous stock, grown in a recognized nursery in accordance with good horticultural practice and free of diseases, insects, etc., larvae, and defects such as girdling or bound roots, knots, sun-scorch, injuries, abrasions or disfigurement.
 5. **SUBSTITUTIONS:** Substitutions are not permitted without written approval from the Owner's Authorized Representative. Substituted plant material installed or furnished without prior approval may be rejected and the Contractor may be required to remove such materials from the site at his own expense.
 6. **PLANT MATERIAL APPROVALS:** Before planting operations commence, all or a representative sampling of plant material shall be reviewed at the site by the Owner's Authorized Representative. Defective plants installed without such review shall be removed from the site upon request by the Owner's Representative and an acceptable plant substituted in its place. Provide two-week notice of plant arrival date of all plants prior to installation. Plant review will occur once (within span of one business day) for all plant material.
 7. **LAYOUT:** Plant layout shall be inspected and approved by the Owner's Authorized Representative prior to installation. This inspection may occur simultaneously to the plant inspection day.
 8. **ROOT SYSTEMS:** Contractor shall be responsible for inspection of all root systems on plant materials. Inspection shall include, but not be limited to, checking for rootbound stock, encircling roots of the perimeter of the container, girdling roots of the top surface of the rootball, and other defective root conditions. Such inspections shall include the complete removal of soil from one percent of plant material containers, or at least one plant from each nursery and each plant type. Contractor shall cut defective or potentially defective girdling, rootbound, and encircling roots and spread the root system into the surrounding backfill. The Contractor shall reject plants with excessively defective root systems.
 9. **PRUNING:** Contractor shall do no pruning without the specific approval of the Owner's Representative. Plants pruned without approval shall be replaced by the Contractor, if required.
 10. **BACKFILLING:** Backfill mix for 1 gallon size and larger shall consist of 2 parts native site soil, 1 part redwood shavings, and Agriform plant tablets added per manufacturer's recommendations. Tamp backfill mix under and around rootballs as necessary, do not over compact.
 11. **FINISH GRADE RESTORATION:** Restore finish grades by hand raking. Dispose of excess subgrade soil.
 12. **BASINS:** Construct basins as necessary to water plants. Remove basins from all plants under a permanent irrigation system prior to final inspection and finish grade the planting area. Basins for plants to be hand-watered shall remain in place. Basin bottoms shall drain to berm away from plant stem.
 13. **STAKING:** All trees shall be staked as shown with stakes driven securely into existing soil aligned with the trunk and perpendicular (where applicable) to the direction of the prevailing winds.
 14. **WEED CONTROL TREATMENT:** Prior to applying mulch, all planted areas (excluding turf) shall be treated with Regal Ronstar per the manufacturer's specifications for pre-emergent treatment.
 15. **MULCH:** Place a two-inch minimum layer of mulch in all areas indicated on the plans. Rotate bark mulch top dress evenly to create a uniform surface and pull bark mulch top dress away from trunks or stakes of plants. Leave 18" bark-free collar around all tree trunks, 6" bark-free collar around shrubs.
 16. **CLEANUP:** After completion of all operations, Contractor shall remove all trash, excess soil and other debris. All walks and pavement shall be swept and washed clean, leaving the entire area in a neat, orderly condition.
 17. **GUARANTEE:** All shrub, groundcover, perennial, and sod materials shall be guaranteed to be in a healthy and thriving condition ninety (90) days after Final Acceptance. Trees shall be guaranteed to be in a healthy and thriving condition one (1) year after Final Acceptance. Guarantee of plant material is effective unless it can be proven, to the satisfaction of the Owner, that the unhealthy or non-thriving material is due to causes other than the Contractor's materials or workmanship. Replace all dead plants and plants not in vigorous condition immediately upon notification by Owner during Guarantee Period. Replaced plants shall be subsequently guaranteed by the contractor for an additional 90 days following date of replacement for shrubs, groundcovers, perennials, and sod; and one (1) year for trees.

Landscape Plan
to be replaced

KEY	BOTANICAL NAME/ COMMON NAME	SIZE
TREES		
ARB	ARBUTUS 'MARNIA' - MARNIA ARBUTUS	24" BOX
ZEL	ZELKOVA SERRATA - SAW LEAF ZELKOVA	24" BOX
SHRUBS		
BUX	BUXUS MICROPHYLLA JAPONICA 'GREEN BEAUTY' - BOXWOOD	1 GAL
ILE	ILEX VOMITORIA 'NANA' - DWARF YAUJON HOLLY	1 GAL
LIG	LIGUSTRUM JAPONICUM 'TEXANUM' - JAPANESE PRIVET	5 GAL
MIC	MICROLEPIA STRIGOSA - LACE FERN	5 GAL
POO	PODOCARPUS MACROPHYLLOUS - YEW PINE	15 GAL
PHO	PHOTINIA FRASERI - PHOTINIA	15 GAL
PRU	PRUNUS CAROLINIANA 'COMPACTA' - CAROLINA CHERRY	15 GAL
ROS	ROSA FLORIBUNDA 'ICEBERG' - ICEBERG ROSES	5 GAL

LANDSCAPE POINT			
PLANTING AREA OF PROJECT SITE	3,228 SF	> 3,079.5 OF 12,318 SF (25% OF COMMON OPEN SPACE)	
POINTS REQUIRED	10		
STREET TREE, 30' ON CENTER, PER TREE	2 PTS. EACH	7	14
STREET TREE, 24" BOX	1 PTS. EACH	7	7
IN AN R OR A ZONE, ANY DESIGN THAT PHYSICALLY PREVENTS THE PARKING OF ANY VEHICLE IN THE FRONTAGE, EXCEPT IN AN ALLOWED DRIVEWAY	5 PTS.		5
PLANTING OF ANY TREE, PF A TAXON THAT DOES NOT EXIST WITHIN A 1000' RADIUS OF THE PROJECT BOUNDARIES (ZELKOVA SERRATA)	5 PTS. EACH, MAX 25% OF REQUIRED PTS	3	7.5
		TOTAL	33.5

NUMBER	AREA
1	211 SF
2	211 SF
3	211 SF
4	2,595 SF
TOTAL	3,228 SF

2972 W. 7TH STREET

Los Angeles, California

LANDSCAPE PLAN

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TREES & PALMS



ARBUTUS 'MARINA'
Strawberry Tree



CHAMAEROPS HUMILIS
Mediterranean Fan Palm



LAGERSTROEMIA INDICA
Crape Myrtle



OLEA EUROPAEA 'SWAN HILL'
Fruitless Olive



PLATANUS RACEMOSA
California Sycamore



PODOCARPUS GRACILIOR
Fern Pine



PODOCARPUS GRACILIOR
Fern Pine



STRELITZIA NICOLAI
White Bird of Paradise



TIPUANA TIPU
Tipu Tree



ULMUS PARVIFOLIA
Chinese Evergreen Elm

SHRUBS & GROUNDCOVER



FEIJOA SELLOWIANA
PINEAPPLE GUAVA



JACARANDA MIMOSIFOLIA
JACARANDA



PRUNUS CERASIFERA 'ATROPUR-
PUREA'
PURPLE LEAF PLUM



AGAVE ATTENUATA
Foxtail Agave



ALOE ARBORESCENS
Tree Aloe



ANIGOZANTHOS FLAVIDUS
Kangaroo Paw



ANIGOZANTHOS FLAVIDUS
Kangaroo Paw



PITTOSPORUM 'SILVER SHEEN'
Kohuhu 'Silver Sheen'



LOROPETALUM CHINENSE
'RAZZLEBERRY'



DIETES IRIDIOIDES
Fortnight Lily



PITTOSPORUM CRASSIFOLIUM
Karo



PHORMIUM HYBRIDS
Variegated New Zealand Flax



ROSMARINUS OFFICINALIS
Rosemary



GREVILLEA LANIGERA
Prostrate Woolly Grevillea
'MT. TAMBORITHA'



KALANCHOE THYRSIFLORA
Paddle Plant



LIRIOPE GIGANTEA
Big Blue Lily Turf



CYPERUS PAPYRUS
Papyrus



MYOPORUM PARVIFOLIUM
Prostrate Myoporum

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LANDSCAPE IDEAS

2972 W. 7TH STREET

Los Angeles, California

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2972 W. 7TH STREET

Los Angeles, California

LANDSCAPE IDEAS

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EXHIBIT CEnvironmental Clearance & MMP
ENV-2015-1705-MND

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
ROOM 395, CITY HALL
LOS ANGELES, CALIFORNIA 90012
CALIFORNIA ENVIRONMENTAL QUALITY ACT
PROPOSED MITIGATED NEGATIVE DECLARATION

LEAD CITY AGENCY City of Los Angeles	COUNCIL DISTRICT CD 1 - GILBERT CEDILLO	
PROJECT TITLE ENV-2015-1705-MND	CASE NO. CPC-2015-1703-DB-SPR	
PROJECT LOCATION 2972 W 7TH ST		
PROJECT DESCRIPTION <p>The project includes the demolition of an existing 28,900-square-foot appliance store and the construction of a new five-story mixed-use development on a 53,504-square-foot lot. The new 137,708-square-foot development will contain 15,000 square feet of retail and commercial space on the ground floor and 180 units on second through fifth floors, consisting of 15 Restricted Affordable Units set aside for habitation by Very Low Income Households and 165 market-rate units. The building will have a maximum height of approximately 59 feet.</p> <p>The project will provide 206 parking spaces in a garage consisting of one at-grade and one subterranean level. Vehicular access to the site would be provided on 7th Street via one driveway. The project also proposes a minimum of 214 bicycle parking spaces. Approximately 18,418 square feet of open space will be provided on site, which consists of a community room, courtyards, and private decks.</p> <p>The project requires an export of approximately 20,000 cubic yards of earth material.</p> <p>The applicant requests the following discretionary approvals: (1) Pursuant to Los Angeles Municipal Code (LAMC) Section 16.05, a Site Plan Review for a development project, which creates or results in an increase of 50 or more dwelling units or guest rooms, or combination thereof; and (2) Pursuant to LAMC Section 12.22 A.25, a 35 percent Density Bonus utilizing Parking Option 1 and two off-menu incentives: (a) FAR increase to allow 3:1 in lieu of 1.5:1; and (b) relief from the Wilshire Community Plan General Plan Land Use Map Footnote 5 that limits the commercial zone to Height District 1.</p>		
NAME AND ADDRESS OF APPLICANT IF OTHER THAN CITY AGENCY Christopher Pak 3530 Wilshire Blvd. #615 Los Angeles, CA 90010		
FINDING: <p>The City Planning Department of the City of Los Angeles has Proposed that a mitigated negative declaration be adopted for this project because the mitigation measure(s) outlined on the attached page(s) will reduce any potential significant adverse effects to a level of insignificance</p> <p style="text-align: center;">(CONTINUED ON PAGE 2)</p>		
SEE ATTACHED SHEET(S) FOR ANY MITIGATION MEASURES IMPOSED.		
Any written comments received during the public review period are attached together with the response of the Lead City Agency. The project decision-maker may adopt the mitigated negative declaration, amend it, or require preparation of an EIR. Any changes made should be supported by substantial evidence in the record and appropriate findings made.		
THE INITIAL STUDY PREPARED FOR THIS PROJECT IS ATTACHED.		
NAME OF PERSON PREPARING THIS FORM	TITLE	TELEPHONE NUMBER
NURI CHO	Planning Assistant	(213) 978-1177

ADDRESS 200 N. SPRING STREET, 7th FLOOR LOS ANGELES, CA. 90012	SIGNATURE (Official) 	DATE DECEMBER 16, 2015
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I-120. Aesthetics (Light)

- Environmental impacts to the adjacent residential properties may result due to excessive illumination on the project site. However, the potential impacts will be mitigated to a less than significant level by the following measure:
- Outdoor lighting shall be designed and installed with shielding, such that the light source cannot be seen from adjacent residential properties, the public right-of-way, nor from above.

I-130. Aesthetics (Glare)

- Environmental impacts to adjacent residential properties may result from glare from the proposed project. However, the potential impacts will be mitigated to a less than significant level by the following measure:
- The exterior of the proposed structure shall be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films) and pre-cast concrete or fabricated wall surfaces to minimize glare and reflected heat.

VII-10. Green House Gas Emissions

- The project will result in impacts resulting in increased green house gas emissions. However, the impact can be reduced to a less than significant level through compliance with the following measure(s):
- Low- and non-VOC containing paints, sealants, adhesives, solvents, asphalt primer, and architectural coatings (where used), or pre-fabricated architectural panels shall be used in the construction of the Project to reduce VOC emissions to the maximum extent practicable.
- Any new construction shall include 20 percent of parking spaces set aside for EV ready parking.

XII-20. Increased Noise Levels (Demolition, Grading, and Construction Activities)

-
- Construction and demolition shall be restricted to the hours of 7:00 am to 6:00 pm Monday through Friday, and 8:00 am to 6:00 pm on Saturday.
- Demolition and construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- The project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.

XII-60. Increased Noise Levels (Mixed-Use Development)

- Environmental impacts to proposed on-site residential uses from noises generated by proposed on-site commercial uses may result from project implementation. However, the potential impact will be mitigated to a less than significant level by the following measure:
- Wall and floor-ceiling assemblies separating commercial tenant spaces, residential units, and public places, shall have a Sound Transmission Class (STC) value of at least 50, as determined in accordance with ASTM E90 and ASTM E413.

XIV-10. Public Services (Fire)

- Environmental impacts may result from project implementation due to the location of the project in an area having marginal fire protection facilities. However, this potential impact will be mitigated to a less than significant level by the following measure:
- The following recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the approval of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or guest room shall not be more than 150 feet in distance in horizontal travel from the edge of the roadway of an improved street or approved fire lane.

XIV-20. Public Services (Police – Demolition/Construction Sites)

-
- Temporary construction fencing shall be placed along the periphery of the active construction areas to screen as much of the construction activity from view at the local street level and to keep unpermitted persons from entering the construction area.

XIV-30. Public Services (Police)

- Environmental impacts may result from project implementation due to the location of the project in an area having marginal police services. However, this potential impact will be mitigated to a less than significant level by the following measure:

- The plans shall incorporate the design guidelines relative to security, semi-public and private spaces, which may include but not be limited to access control to building, secured parking facilities, walls/fences with key systems, well-illuminated public and semi-public space designed with a minimum of dead space to eliminate areas of concealment, location of toilet facilities or building entrances in high-foot traffic areas, and provision of security guard patrol throughout the project site if needed. Please refer to "Design Out Crime Guidelines: Crime Prevention Through Environmental Design", published by the Los Angeles Police Department. Contact the Community Relations Division, located at 100 W. 1st Street, #250, Los Angeles, CA 90012; (213) 486-6000. These measures shall be approved by the Police Department prior to the issuance of building permits.

XIV-40. Public Services (Construction Activity Near Schools)

- Environmental impacts may result from project implementation due to the close proximity of the project to a school. However, the potential impact will be mitigated to a less than significant level by the following measures:
- The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety.
- There shall be no staging or parking of construction vehicles, including vehicles to transport workers on any of the streets adjacent to the school.
- Due to noise impacts on the schools, no construction vehicles or haul trucks shall be staged or idled on these streets during school hours.
- The developer and contractors shall maintain ongoing contact with administrators of Hoover Street Elementary School. The administrative offices shall be contacted when demolition, grading and construction activity begin on the project site so that students and their parents will know when such activities are to occur. The developer shall obtain school walk and bus routes to the schools from either the administrators or from the LAUSD's Transportation Branch (323)342-1400 and guarantee that safe and convenient pedestrian and bus routes to the school be maintained.

XIV-50. Public Services (Schools affected by Haul Route)

-
- Haul route scheduling shall be sequenced to minimize conflicts with pedestrians, school buses and cars at the arrival and dismissal times of the school day. Haul route trucks shall not be routed past the school during periods when school is in session especially when students are arriving or departing from the campus.
- LADBS shall assign specific haul route hours of operation based upon Hoover Street Elementary School's hours of operation.

XVI-30. Transportation (Haul Route)

-
- The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety.
- **(Non-Hillside):** Projects involving the import/export of 20,000 cubic yards or more of dirt shall obtain haul route approval by the Department of Building and Safety.

XVI-40. Safety Hazards

- Environmental impacts may result from project implementation due to hazards to safety from design features (e.g., sharp curves or dangerous intersections) or incompatible uses. However, the potential impacts can be mitigated to a less than significant level by the following measure:
- The developer shall install appropriate traffic signs around the site to ensure pedestrian, bicycle, and vehicle safety.
- The applicant shall submit a parking and driveway plan that incorporates design features that reduce accidents, to the Bureau of Engineering and the Department of Transportation for approval.

XVI-50. Inadequate Emergency Access

- Environmental impacts may result from project implementation due to inadequate emergency access. However, these impacts can be mitigated to a less than significant level by the following measure:
- The applicant shall submit a parking and driveway plan to the Bureau of Engineering and the Department of Transportation for approval that provides code-required emergency access.

XVI-80. Transportation/Traffic

- The project will result in impacts to transportation and/or traffic systems. However, the impact can be reduced to a less than significant level through compliance with the following measure(s):
- Applicant shall plan construction and construction staging as to maintain pedestrian access on adjacent sidewalks throughout all construction phases. This requires the applicant to maintain adequate and safe pedestrian protection, including physical separation (including utilization of barriers such as K-Rails or scaffolding, etc.) from work space and vehicular traffic and overhead protection, due to sidewalk closure or blockage, at all times.

- Temporary pedestrian facilities should be adjacent to the project site and provide safe, accessible routes that replicate as nearly as practical the most desirable characteristics of the existing facility.
- Covered walkways shall be provided where pedestrians are exposed to potential injury from falling objects.
- Applicant shall keep sidewalk open during construction until only when it is absolutely required to close or block sidewalk for construction staging. Sidewalk shall be reopened as soon as reasonably feasible taking construction and construction staging into account.

XVIII-20. Effects On Human Beings

- The project has potential environmental effects which cause substantial adverse effects on human beings, either directly or indirectly. However, these potential impacts will be mitigated to a less than significant level through compliance with the above mitigation measures.

CITY OF LOS ANGELES
OFFICE OF THE CITY CLERK
ROOM 395, CITY HALL
LOS ANGELES, CALIFORNIA 90012
CALIFORNIA ENVIRONMENTAL QUALITY ACT
INITIAL STUDY
and CHECKLIST
(CEQA Guidelines Section 15063)

LEAD CITY AGENCY: City of Los Angeles	COUNCIL DISTRICT: CD 1 - GILBERT CEDILLO	DATE:
RESPONSIBLE AGENCIES: Department of City Planning		
ENVIRONMENTAL CASE: ENV-2015-1705-MND	RELATED CASES: CPC-2015-1703-DB-SPR	
PREVIOUS ACTIONS CASE NO.:	<input type="checkbox"/> Does have significant changes from previous actions. <input checked="" type="checkbox"/> Does NOT have significant changes from previous actions.	
PROJECT DESCRIPTION: DEMOLITION OF AN EXISTING 28,900 SF. RETAIL USE AND CONSTRUCTION OF A NEW 5-STORY MIXED-USE PROJECT WITH 15,000 SF. OF RETAIL COMMERCIAL ON THE GROUND FLOOR AND 180 RESIDENTIAL UNITS ON FLOORS 2-5.		
ENV PROJECT DESCRIPTION: <p>The project includes the demolition of an existing 28,900-square-foot appliance store and the construction of a new five-story mixed-use development on a 53,504-square-foot lot. The new 137,708-square-foot development will contain 15,000 square feet of retail and commercial space on the ground floor and 180 units on second through fifth floors, consisting of 15 Restricted Affordable Units set aside for habitation by Very Low Income Households and 165 market-rate units. The building will have a maximum height of approximately 59 feet.</p> <p>The project will provide 206 parking spaces in a garage consisting of one at-grade and one subterranean level. Vehicular access to the site would be provided on 7th Street via one driveway. The project also proposes a minimum of 214 bicycle parking spaces. Approximately 18,418 square feet of open space will be provided on site, which consists of a community room, courtyards, and private decks.</p> <p>The project requires an export of approximately 20,000 cubic yards of earth material.</p> <p>The applicant requests the following discretionary approvals: (1) Pursuant to Los Angeles Municipal Code (LAMC) Section 16.05, a Site Plan Review for a development project, which creates or results in an increase of 50 or more dwelling units or guest rooms, or combination thereof; and (2) Pursuant to LAMC Section 12.22 A.25, a 35 percent Density Bonus utilizing Parking Option 1 and two off-menu incentives: (a) FAR increase to allow 3:1 in lieu of 1.5:1; and (b) relief from the Wilshire Community Plan General Plan Land Use Map Footnote 5 that limits the commercial zone to Height District 1.</p>		
ENVIRONMENTAL SETTINGS: <p>The project site consists of six lots comprising approximately 53,504 square feet of lot area. The site is zoned C2-1 and fronts on 7th Street with a street frontage of approximately 352 feet and depth of 152 feet. The site is located in the Koreatown neighborhood within the boundaries of Wilshire Community Plan, which designates the site for Neighborhood Office Commercial General Plan Land Use. The site is currently improved with a 28,900-square-foot appliance store and its surface parking lot. The project site fronts on 7th Street, which is designated Avenue II per the new Mobility Plan 2035, with a required right-of-way width of 86 feet, half-way road width of 43 feet, and 15-foot sidewalks.</p> <p>Properties to the north of the site, across 7th Street, are zoned C2-2 and improved with surface parking lots for the Southwestern Law School and a four-story office building. The property to the west is zoned C2-1 and improved with a three-story residential building. The property to the east is zoned C2-1 and improved with a two-story residential building. Properties to the south are zoned R4-2 and are either vacant or improved with two- to four-story multi-family residential buildings.</p> <p>The site does not contain any trees, and no trees will be removed as part of the project. Approximately 20,000 cubic yards of earth material will be removed.</p> <p>The project site is located in a Methane Buffer Zone. The nearest fault is the Puente Hills Blind Thrust, which is located approximately</p>		

0.07 kilometers from the site.

PROJECT LOCATION:

2972 W 7TH ST

COMMUNITY PLAN AREA:

WILSHIRE

STATUS:



Does Conform to Plan



Does NOT Conform to Plan

AREA PLANNING COMMISSION:

CENTRAL

CERTIFIED NEIGHBORHOOD

COUNCIL:

MACARTHUR PARK

EXISTING ZONING:

C2-1

MAX. DENSITY/INTENSITY

ALLOWED BY ZONING:

400 SF of lot area per dwelling unit
(133 dwelling units)

GENERAL PLAN LAND USE:

NEIGHBORHOOD OFFICE COMMERCIAL

MAX. DENSITY/INTENSITY

ALLOWED BY PLAN

DESIGNATION:

400 SF of lot area per dwelling unit
(133 dwelling units)

LA River Adjacent:

PROPOSED PROJECT DENSITY:

180 dwelling units

Determination (To Be Completed By Lead Agency)

On the basis of this initial evaluation:

- ☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a **NEGATIVE DECLARATION** will be prepared.
- ☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions on the project have been made by or agreed to by the project proponent. A **MITIGATED NEGATIVE DECLARATION** will be prepared.
- ☐ I find the proposed project MAY have a significant effect on the environment, and an **ENVIRONMENTAL IMPACT REPORT** is required.
- ☐ I find the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on earlier analysis as described on attached sheets. An **ENVIRONMENTAL IMPACT REPORT** is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or **NEGATIVE DECLARATION** pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or **NEGATIVE DECLARATION**, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.



Planning Assistant

(213) 978-1177

Signature

Title

Phone

Evaluation Of Environmental Impacts:

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
4. "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of a mitigation measure has reduced an effect from "Potentially Significant Impact" to "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from "Earlier Analyses," as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR, or negative declaration. Section 15063 (c)(3)(D). In this case, a brief discussion should identify the following:
 - a. Earlier Analysis Used. Identify and state where they are available for review.
 - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c. Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A sources list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a. The significance criteria or threshold, if any, used to evaluate each question; and
 - b. The mitigation measure identified, if any, to reduce the impact to less than significance.

Environmental Factors Potentially Affected:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

<input checked="" type="checkbox"/> AESTHETICS	<input checked="" type="checkbox"/> GREEN HOUSE GAS EMISSIONS	<input type="checkbox"/> POPULATION AND HOUSING
<input type="checkbox"/> AGRICULTURE AND FOREST RESOURCES	<input checked="" type="checkbox"/> HAZARDS AND HAZARDOUS MATERIALS	<input checked="" type="checkbox"/> PUBLIC SERVICES
<input type="checkbox"/> AIR QUALITY	<input type="checkbox"/> HYDROLOGY AND WATER QUALITY	<input type="checkbox"/> RECREATION
<input type="checkbox"/> BIOLOGICAL RESOURCES	<input type="checkbox"/> LAND USE AND PLANNING	<input checked="" type="checkbox"/> TRANSPORTATION/TRAFFIC
<input type="checkbox"/> CULTURAL RESOURCES	<input type="checkbox"/> MINERAL RESOURCES	<input type="checkbox"/> UTILITIES AND SERVICE SYSTEMS
<input type="checkbox"/> GEOLOGY AND SOILS	<input checked="" type="checkbox"/> NOISE	<input checked="" type="checkbox"/> MANDATORY FINDINGS OF SIGNIFICANCE

INITIAL STUDY CHECKLIST (To be completed by the Lead City Agency)

Background

PROPONENT NAME:

Christopher Pak

PHONE NUMBER:

(213) 984-4015

APPLICANT ADDRESS:

3530 Wilshire Blvd. #615
Los Angeles, CA 90010

AGENCY REQUIRING CHECKLIST:

Department of City Planning

DATE SUBMITTED:

05/05/2015

PROPOSAL NAME (if Applicable):

Potentially significant impact	Potentially significant unless mitigation incorporated	Less than significant impact	No impact
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I. AESTHETICS

a.	Have a substantial adverse effect on a scenic vista?				✓
b.	Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				✓
c.	Substantially degrade the existing visual character or quality of the site and its surroundings?			✓	
d.	Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?		✓		

II. AGRICULTURE AND FOREST RESOURCES

a.	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?				✓
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?				✓
c.	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				✓
d.	Result in the loss of forest land or conversion of forest land to non-forest use?				✓
e.	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?				✓

III. AIR QUALITY

a.	Conflict with or obstruct implementation of the applicable air quality plan?				✓
b.	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			✓	
c.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			✓	
d.	Expose sensitive receptors to substantial pollutant concentrations?			✓	
e.	Create objectionable odors affecting a substantial number of people?			✓	

IV. BIOLOGICAL RESOURCES

a.	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				✓
b.	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				✓
c.	Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				✓
d.	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				✓
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				✓
f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				✓

V. CULTURAL RESOURCES

Potentially significant impact	Potentially significant unless mitigation incorporated	Less than significant impact	No impact
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a.	Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?			✓
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?		✓	
c.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?		✓	
d.	Disturb any human remains, including those interred outside of formal cemeteries?		✓	

VI. GEOLOGY AND SOILS

a.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.		✓	
b.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: Strong seismic ground shaking?		✓	
c.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: Seismic-related ground failure, including liquefaction?			✓
d.	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: Landslides?			✓
e.	Result in substantial soil erosion or the loss of topsoil?		✓	
f.	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?		✓	
g.	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?		✓	
h.	Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?			✓

VII. GREEN HOUSE GAS EMISSIONS

a.	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?		✓	
b.	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?		✓	

VIII. HAZARDS AND HAZARDOUS MATERIALS

a.	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?		✓	
b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?		✓	
c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?		✓	
d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			✓
e.	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?			✓
f.	For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?			✓
g.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?		✓	

Potentially significant impact	Potentially significant unless mitigation incorporated	Less than significant impact	No impact
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h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				✓
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IX. HYDROLOGY AND WATER QUALITY

a. Violate any water quality standards or waste discharge requirements?			✓	
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of preexisting nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?			✓	
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?			✓	
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?			✓	
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			✓	
f. Otherwise substantially degrade water quality?			✓	
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				✓
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				✓
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				✓
j. Inundation by seiche, tsunami, or mudflow?				✓

X. LAND USE AND PLANNING

a. Physically divide an established community?				✓
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			✓	
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?				✓

XI. MINERAL RESOURCES

a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				✓
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				✓

XII. NOISE

a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?		✓		
b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?			✓	
c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?		✓		
d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?		✓		

Potentially significant impact	Potentially significant unless mitigation incorporated	Less than significant impact	No impact
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e.	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				✓
f.	For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				✓
XIII. POPULATION AND HOUSING					
a.	Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			✓	
b.	Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				✓
c.	Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				✓
XIV. PUBLIC SERVICES					
a.	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Fire protection?		✓		
b.	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Police protection?		✓		
c.	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Schools?		✓		
d.	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Parks?			✓	
e.	Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: Other public facilities?			✓	
XV. RECREATION					
a.	Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			✓	
b.	Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			✓	
XVI. TRANSPORTATION/TRAFFIC					
a.	Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?		✓		

Potentially significant impact	Potentially significant unless mitigation incorporated	Less than significant impact	No impact
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b.	Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?			✓	
c.	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				✓
d.	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?		✓		
e.	Result in inadequate emergency access?		✓		
f.	Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				✓

XVII. UTILITIES AND SERVICE SYSTEMS

a.	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			✓	
b.	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			✓	
c.	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			✓	
d.	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			✓	
e.	Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			✓	
f.	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			✓	
g.	Comply with federal, state, and local statutes and regulations related to solid waste?			✓	

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

a.	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				✓
b.	Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?			✓	
c.	Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?		✓		

Note: Authority cited: Sections 21083, 21083.05, Public Resources Code. Reference: Section 65088.4, Gov. Code; Sections 21080, 21083.05, 21095, Pub. Resources Code; *Eureka Citizens for Responsible Govt. v. City of Eureka* (2007) 147 Cal.App.4th 357; *Protect the Historic Amador Waterways v. Amador Water Agency* (2004) 116 Cal.App.4th at 1109; *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656.

DISCUSSION OF THE ENVIRONMENTAL EVALUATION (Attach additional sheets if necessary)

The Environmental Impact Assessment includes the use of official City of Los Angeles and other government source reference materials related to various environmental impact categories (e.g., Hydrology, Air Quality, Biology, Cultural Resources, etc.). The State of California, Department of Conservation, Division of Mines and Geology - Seismic Hazard Maps and reports, are used to identify potential future significant seismic events; including probable magnitudes, liquefaction, and landslide hazards. Based on applicant information provided in the Master Land Use Application and Environmental Assessment Form, impact evaluations were based on stated facts contained therein, including but not limited to, reference materials indicated above, field investigation of the project site, and any other reliable reference materials known at the time.

Project specific impacts were evaluated based on all relevant facts indicated in the Environmental Assessment Form and expressed through the applicant's project description and supportive materials. Both the Initial Study Checklist and Checklist Explanations, in conjunction with the City of Los Angeles's Adopted Thresholds Guide and CEQA Guidelines, were used to reach reasonable conclusions on environmental impacts as mandated under the California Environmental Quality Act (CEQA).

The project as identified in the project description may cause potentially significant impacts on the environment without mitigation. Therefore, this environmental analysis concludes that a Mitigated Negative Declaration shall be issued to avoid and mitigate all potential adverse impacts on the environment by the imposition of mitigation measures and/or conditions contained and expressed in this document; the environmental case file known as **ENV-2015-1705-MND** and the associated case(s), **CPC-2015-1703-DB-SPR**. Finally, based on the fact that these impacts can be feasibly mitigated to less than significant, and based on the findings and thresholds for Mandatory Findings of Significance as described in the California Environmental Quality Act, section 15065, the overall project impact(s) on the environment (after mitigation) **will not:**

- Substantially degrade environmental quality.
- Substantially reduce fish or wildlife habitat.
- Cause a fish or wildlife habitat to drop below self sustaining levels.
- Threaten to eliminate a plant or animal community.
- Reduce number, or restrict range of a rare, threatened, or endangered species.
- Eliminate important examples of major periods of California history or prehistory.
- Achieve short-term goals to the disadvantage of long-term goals.
- Result in environmental effects that are individually limited but cumulatively considerable.
- Result in environmental effects that will cause substantial adverse effects on human beings.

ADDITIONAL INFORMATION:

All supporting documents and references are contained in the Environmental Case File referenced above and may be viewed in the EIR Unit, Room 763, City Hall.

For City information, addresses and phone numbers: visit the City's website at <http://www.lacity.org> ; City Planning - and Zoning Information Mapping Automated System (ZIMAS) cityplanning.lacity.org/ or EIR Unit, City Hall, 200 N Spring Street, Room 763.
Seismic Hazard Maps - <http://gmw.consrv.ca.gov/shmp/>
Engineering/Infrastructure/Topographic Maps/Parcel Information - <http://boemaps.eng.ci.la.ca.us/index01.htm> or City's main website under the heading "Navigate LA".

PREPARED BY:	TITLE:	TELEPHONE NO.:	DATE:
NURI CHO	Planning Assistant	(213) 978-1177	11/05/2015

Impact?	Explanation	Mitigation Measures
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APPENDIX A: ENVIRONMENTAL IMPACTS EXPLANATION TABLE

I. AESTHETICS

a.	NO IMPACT	A significant impact would occur if a project were to introduce incompatible scenic elements within a field of view containing a scenic vista. Scenic vistas are generally described in two ways: panoramic views (visual access to a large geographic area, for which the field of view can be wide and extend into the distance) and focal views (visual access to a particular object, scene, or feature of interest). The site is located within the Wilshire Community Plan area. The view to the north, south, east, and west are defined by surface parking lots, commercial, institutional, and multi-family residential buildings, as the site is located within a highly urbanized area. Due to the relatively level topography and extent of development within the immediate area, there are no scenic views or vantage points that afford scenic views. The project site is not located within or along a designated scenic corridor, and no scenic views exist from the site or any adjacent or nearby locations. Furthermore, the project proposes a five-story mixed-use development with a maximum height of 59 feet. Therefore, no impacts to scenic vistas would occur.	
b.	NO IMPACT	A significant impact would occur if the proposed project would substantially damage scenic resources within a State Scenic Highway. The project fronts on 7th Street, which is designated as Avenue II by the City of Los Angeles General Plan Mobility Element. No streets, freeways, or highways within close proximity to the site are designated as a State Scenic Highway. Concurrently, no historic resources including trees, rock outcroppings, and historic buildings within a State Scenic Highway are located within the vicinity of the project site. Therefore, no impact related to scenic resources would occur.	
c.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would substantially degrade the existing visual character or quality of the project site and its surroundings. The proposed project involves the construction of a five-story	

Impact?	Explanation	Mitigation Measures
	<p>137,708-square-foot mixed-use development with one level of subterranean parking. The building height will be 59 feet. Land uses in the project vicinity vary in use and height. There are surface parking lots to the north of the site and two- to four-story office, commercial, and multi-family residential developments to the east, west, and south. The proposed project would be compatible with the bulk and height of these surrounding developments. Furthermore, the proposed project would remove the existing surface parking lot and develop a multi-story mixed-use building that would enhance rather than detract from the visual character of the area. Shadows are cast to the west by objects during the morning hours when the sun is coming up on the horizon in the east. During late morning and early afternoon, the shadows move northerly and by late afternoon, they are cast easterly in response to the apparent movement of the sun across the sky from east to west. According to the LA CEQA Thresholds Guide, facilities and operations sensitive to the effects of shading include routinely usable outdoor spaces associated with residential uses. To the east and west of the project site are two three- and four-story multi-family residential buildings. They do not contain usable open space in their front or backyard and do not have balconies used for private open space. Properties to the south are improved with two- to four-story multi-family residential buildings. The two-story building contains private balcony that is facing the project site. However, because the shadows will move from east to north to west, the project is not expected to cast shadows on these balconies located to the south of the site. Therefore, the shadow impacts from the project are expected to be less than significant.</p>	
d. POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact would occur if light and glare substantially altered the character of off-site areas surrounding the site or interfered with the performance of an off-site activity. The project site is located in an urbanized area within the Wilshire Community Plan area. Due to the urbanized nature of the immediate surroundings, a moderate degree of</p>	I-120, I-130

Impact?	Explanation	Mitigation Measures
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	illumination already exists at the project site along 7th Street. The project proposes to construct a five-story mixed-use development. The project would incorporate night lighting to illuminate building entrances, parking areas, and walkways to provide adequate night visibility and security, which would increase ambient nighttime illumination levels. Urban glare is largely a daytime phenomenon, occurring when sunlight is reflected off of the surfaces of buildings or objects. The proposed building materials include board form concrete, plaster, aluminum composite panels, laminate plate of wood composite, and glass. These materials may increase the ambient reflectivity and glare in the area. The implementation of the referenced mitigation measures would reduce potential impacts related to lighting and glare to less-than-significant levels.	
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II. AGRICULTURE AND FOREST RESOURCES

a.	NO IMPACT	A significant impact may occur if a project were to result in the conversion of State-designated agricultural land from agricultural use to another non-agricultural use. The project site is currently improved with a commercial building. The project site does not contain properties identified as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance as identified by the California Resource Agency. Therefore, no impact would occur.	
b.	NO IMPACT	A significant impact would occur if the proposed project conflicts with existing agricultural zoning or agricultural parcels enrolled under the Williamson Act. The project site is zoned C2-1. As the project site and surrounding area do not contain farmland of any type, the proposed project would not conflict with a Williamson Act contract. Therefore, no impact would occur.	
c.	NO IMPACT	A significant impact may occur if a project were to conflict with existing zoning for forest land. The project site is currently zoned C2-1. Accordingly, the proposed project would not conflict with forest land or timberland zoning or result in the loss of forest land or conversion of forest land to non-forest use. Therefore, no impact	

Impact?	Explanation	Mitigation Measures
	would occur.	
d.	<p>NO IMPACT</p> <p>A significant impact may occur if a project were to result in the loss of forest land. No forest land or timberland exists on the project site or in the vicinity of the project site. The site is currently developed with an appliance store and is located within a highly urbanized area of the Wilshire Community Plan. Therefore, no impact would occur.</p>	
e.	<p>NO IMPACT</p> <p>A significant impact would occur if a project results in the conversion of farmland to another non-agricultural use or forest land to non-forest land. The project site is currently zoned C2-1 and is developed with an appliance store. Neither the project site or nearby properties are currently utilized for farmland or forest land. Therefore, the project would have no impact on farmland or forest land.</p>	
III. AIR QUALITY		
a.	<p>NO IMPACT</p> <p>A significant impact may occur if a project is not consistent with the applicable Air Quality Management Plan (AQMP) or would in some way represent a substantial hindrance to employing the policies or obtaining the goals of AQMP. The AQMP is prepared by the South Coast Air Quality Management District (SCAQMD). The most recent AQMP was adopted on December 7, 2012 to demonstrate attainment of the 2006 federal 24-hour fine particulate matter (PM_{2.5}) ambient air quality standard and to update and further define measures to meet the federal and State eight-hour ozone (O₃) standards. The 2012 AQMP also provides base year emissions and future baseline emission projections. The 2012 AQMP incorporates, in part, Southern California Association of Government's (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) 2012-2035 RTP/SCS socio-economic forecast projections of regional population and employment growth. A project would not conflict with the AQMP if it is consistent with the population, housing and employment assumptions that were used in the development of the AQMP. The project proposes to construct a mixed-use development with 15,000 square feet of retail space and 180 residential dwelling units in the Wilshire</p>	

Impact?	Explanation	Mitigation Measures
	<p>Community Plan Area. The proposed project is not expected to conflict with SCAG's population, housing, and employment assumptions. The project would not result in an increase in population over that projected in the adopted Wilshire Community Plan or RTP/SCS. Therefore, the proposed project is considered to be consistent with growth assumptions included in the AQMP. No impact would occur.</p>	
<p>b. LESS THAN SIGNIFICANT IMPACT</p>	<p>A significant impact would occur if the proposed project would violate any air quality standard or contribute substantially to an existing or projected air quality violation. An Air Quality Study was prepared by Rincon Consultants in September 2015 for the proposed project. According to the Air Quality Study, regional construction emissions associated with development of the proposed project were calculated using the California Emissions Estimator Model (CalEEMod) software, which is a statewide land use emissions computer model designed to quantify potential criteria pollutant and greenhouse gas (GHG) emissions associated with both construction and operations from land use projects. The project's estimated overall maximum daily construction emissions do not exceed the SCAQMD threshold of 100 pounds per day (lbs/day) for the criteria pollutant Nitrogen Oxide (NOx), 75 lbs/day for Reactive Organic Compounds (ROG), 150 lbs/day for Particulate Matter 10 (PM10), 55 lbs/day for PM2.5, and 550 lbs/day for Carbon Monoxide (CO) (see Table 4 in the attached Air Quality Study). The project's estimated emissions associated with operation of the proposed project are also not expected to exceed the SCAQMD threshold of 55 lbs/day for NOx, 55 lbs/day for ROG, 150 lbs/day for PM10, 55 lbs/day for PM2.5, 150 lbs/day for Sulfur Dioxide (Sox), and 550 lbs/day for CO (see Table 5 in the attached Air Quality Stud). Therefore, both construction and operational emissions would not contribute a considerable increase in emissions of the pollutants. Impacts would be less than significant.</p>	

	Impact?	Explanation	Mitigation Measures
c.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project results in a cumulative net increase in any criteria pollutant above threshold standards. The proposed project would not result in a cumulatively considerable net increase of criteria pollutants. The proposed project and the whole of the Los Angeles metropolitan area are located within the South Coast Air Basin (Basin), which is characterized by relatively poor air quality. The Basin is currently classified as a federal and State non-attainment area for O3, respirable particulate matter (PM10), PM2.5, and lead (Pb) and a federal attainment/maintenance area for carbon monoxide (CO). It is classified as a State attainment area for CO, and it currently meets the federal and State standards for nitrogen dioxide (NO2), sulfur oxides (SOX), and Pb. Because the Basin is designated as a State and/or federal nonattainment air basin for O3, PM10, PM2.5, and NO2, there is an on-going regional cumulative impact associated with these pollutants. However, an individual project can emit these pollutants without significantly contributing to this cumulative impact depending on the magnitude of emissions. This magnitude is determined by the project-level significance thresholds established by the SCAQMD. As discussed in Section III.b., the proposed project would not generate construction or operational emissions that exceed the SCAQMD's recommended regional thresholds of significance. The proposed project would not generate a cumulatively considerable increase in emissions of the pollutants for which the Basin is in nonattainment. Operational and construction regional emissions would not exceed the project-level SCAQMD localized significance thresholds for criteria air pollutants. Impacts would be less than significant.</p>	
d.	LESS THAN SIGNIFICANT IMPACT	<p>Based on the City of Los Angeles CEQA Thresholds Guide, a significant impact may occur if a project were to generate pollutant concentrations to a degree that would significantly affect sensitive receptors. The SCAQMD identifies the following as sensitive receptors: long-term health care facilities, rehabilitation centers, convalescent centers, retirement homes, residences, schools, playgrounds,</p>	

Impact?	Explanation	Mitigation Measures
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		<p>child care centers, and athletic facilities. An Air Quality Study prepared for the proposed development by Rincon Consultants in September 2015. According to the Study, nearby sensitive receptors include the Rise Kohyang Middle School 500 feet to the northeast of the project site, residences immediately to the east, south, and west of the project site, and the First Baptist Church of Los Angeles approximately 300 feet to the south. In addition to the regional thresholds, SCAQMD has developed Localized Significant Thresholds (LSTs), which represent the maximum emissions from a project that will not cause or contribute to an air quality exceedance of the most stringent applicable federal or state ambient air quality standard at the nearest sensitive receptor, taking into consideration ambient concentrations in each source receptor area (SRA), project size, distance to the sensitive receptor, etc. According to the Air Quality Study, project construction, involving site preparation, grading, erection of the buildings, paving, and architectural coating, would generate temporary air pollutant emissions. However, the proposed project would not exceed the maximum daily emissions Localized Significant Threshold for Nitrogen Oxide (NOx), Carbon Monoxide (CO), and Particulate Matter 10 and 2.5 (PM10 and PM2.5) (see Table 4 in the attached Air Quality Study). Therefore, construction-related emission impacts to sensitive receptors would be less than significant.</p>	
e.	LESS THAN SIGNIFICANT IMPACT	<p>A project-related significant adverse impact could occur if construction or operation of the proposed project would result in generation of objectionable odors that would be perceptible in adjacent sensitive areas. Odors are typically associated with industrial projects involving the use of chemicals, solvents, petroleum products, and other strong-smelling elements used in manufacturing processes, as well as sewage treatment facilities and landfills. The project proposes to construct a mixed-use development with 15,000 square feet of retail space and 180 residential dwelling units. As the project does not propose land uses related to these types of activities, no odors are</p>	

Impact?	Explanation	Mitigation Measures
	<p>anticipated. During the construction phase, activities associated with the application of architectural coatings and other interior and exterior finishes may produce discernible odors typical of most construction sites. Such odors would be temporary and intermittent and would not be considered a significant impact. Operational activities associated with the proposed commercial, retail, and residential uses would not result in objectionable odors that would affect a substantial number of people. Therefore, the proposed project would result in a less-than-significant impact related to objectionable odors.</p>	
IV. BIOLOGICAL RESOURCES		
a. NO IMPACT	<p>A project would have a significant biological impact through the loss or destruction of individuals of a species or through the degradation of sensitive habitat. The project site is located in a highly urbanized area within the Wilshire Community Plan Area of the City of Los Angeles. The site is currently fully improved with an appliance store and its surface parking lot. No trees exist on the property. Therefore, the project site is not deemed adequate to contain any habitat or support any species that is identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations by the California Department of Fish and Game or U.S. Fish and Wildlife Service. Therefore, no impact would occur.</p>	
b. NO IMPACT	<p>A significant impact would occur if any riparian habitat or natural community would be lost or destroyed as a result of urban development. The project site does not contain any riparian habitat or contain any streams or watercourses that are necessary to support riparian habitat. Therefore, the proposed project would not have any impact on riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. fish and Wildlife Service. No impact would occur.</p>	

Impact?	Explanation	Mitigation Measures
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c.	NO IMPACT	A significant impact would occur if federally protected wetlands would be modified or removed by a project. The project site is currently fully developed with surface parking lots and a retail building. The site does not contain any federally protected wetlands, wetland resources, or other waters of the United States as defined by Section 404 of the Clean Water Act. Therefore, the proposed project would not have any effect on federally protected wetlands. No impact would occur.	
d.	NO IMPACT	A significant impact would occur if the proposed project would interfere with, or remove access to, a migratory wildlife corridor or impede use of native wildlife corridor or impede use of native wildlife nursery sites. The project site is located in a highly urbanized area within the City of Los Angeles and is currently fully developed with a surface parking lot and an appliance store. The site does not support habitat for native resident or migratory species or contain native nurseries due to lack of major water body and vegetation. Therefore, no impact would occur.	
e.	NO IMPACT	A significant impact would occur if the proposed project would be inconsistent with local regulations pertaining to biological resources. The project site does not contain any trees including locally-protected biological resources, such as oak trees, Southern California black walnut, western sycamore, and California bay trees. Therefore, the proposed project would not conflict with any local policies or ordinances protecting biological resources. No impact would occur.	
f.	NO IMPACT	A significant impact would occur if the proposed project would be inconsistent with any adopted habitat conservation plan. No Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan is applicable to the project site. Therefore, the project would not conflict with the provisions of any adopted conservation plan. No impact would occur.	
V. CULTURAL RESOURCES			

Impact?	Explanation	Mitigation Measures
NO IMPACT	A significant impact would occur if the proposed project would substantially alter the environmental context of or remove identified historical resources. The project site is currently developed with a 28,900-square-foot appliance store and its surface parking lot. The existing building on the site was built in 1971, and it is not listed in any of the listings, databases, or sources identifying historical resources, including the National Register of Historic Places, California Register of Historical Resources, California Historical Landmarks, California Points of Historical Interest, and the City's Historic Preservation Overlay Zone Map, according to the City of Los Angeles HistoricPlacesLA. In addition, the site has not been identified as a significant historic resource in the Intensive Historic Resources Survey Wilshire Center and Koreatown Recovery Redevelopment Area Report prepared by the Los Angeles Community Redevelopment Agency (CRA/LA). The nearest historic resources are the Bullock's Wilshire Building to the north of the project site and the First Baptist Church of Los Angeles to the south of the site. However, the proposed project does not involve any construction or operational activities on these historic buildings and is not anticipated to alter or affect them. Therefore, the project would not have an impact on historical resources.	
LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if a known or unknown archaeological resource would be removed, altered, or destroyed as a result of the proposed development. Section 15064.5 of the State CEQA Guidelines defines significant archaeological resources as resources that meet the criteria for historical resources or resources that constitute unique archaeological resources. A project-related significant impact could occur if a project would significantly affect archaeological resources that fall under either of these categories. The project site is not known to contain any archaeological resources (City of Los Angeles, Environmental and Public Facilities Maps, Prehistoric & Historic Archaeological Sites & Survey Areas, 1994). Construction of the proposed project would have no impacts on known archaeological resources. However, there	

Impact?	Explanation	Mitigation Measures
	<p>is a remote possibility that archaeological resources exist below the surface, which could be encountered during site preparation and subsurface excavation. If archaeological resources are discovered during excavation, grading, or construction activities, work shall cease in the area of the find until a qualified archaeologist has evaluated the find in accordance with federal, State, and local guidelines, including those set forth in California Public Resources Code Section 21083.2. Personnel of the proposed project shall not collect or move any archaeological materials and associated materials. Construction activity may continue unimpeded on other portions of the project site. The found deposits would be treated in accordance with federal, State, and local guidelines, including those set forth in California Public Resources Code Section 21083.2. Therefore, the impact would be less than significant.</p>	
c. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if excavation or construction activities associated with the proposed project would disturb paleontological or unique geological features. The project site is not known to contain any paleontological resources (City of Los Angeles, Environmental and Public Facilities Maps, Vertebrate Paleontological Resources, 1994). Construction of the proposed project would have no impacts on known paleontological resources. However, there is a remote possibility that paleontological resources exist below the surface, which could be encountered during site preparation and subsurface excavation. If paleontological resources are discovered during excavation, grading, or construction, the City of Los Angeles Department of Building and Safety shall be notified immediately, and all work shall cease in the area of the find until a qualified paleontologist evaluates the find. Construction activity may continue unimpeded on other portions of the project site. The paleontologist shall determine the location, time frame, and the extent to which any monitoring of earthmoving activities shall be required. Any paleontology resources found would be treated in accordance with federal, State, and local guidelines, including those set forth in California Public</p>	

Impact?	Explanation	Mitigation Measures
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		Resources Code Section 21083.2. Therefore, the impact would be less than significant.	
d.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if previously interred human remains would be disturbed during excavation of the project site. Although the potential is very low, human remains may be unexpectedly encountered during excavation and grading activities associated with the proposed project. While no formal cemeteries, other places of human interment, or burial grounds or sites are known to occur within the project area, there is always a possibility that human remains may be unexpectedly encountered during construction. To ensure that the proposed project would not disturb any human remains, the project applicant would be required to comply with the City's regulations related to the protection and treatment of human remains. Therefore, impacts to human remains would be less than significant.	

VI. GEOLOGY AND SOILS

a.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would cause personal injury or death or resulted in property damage as a result of a fault rupture occurring on the project site and if the project site is located within a State-designated Alquist-Priolo Zone or other designated fault zone. According to ZIMAS, the project site is located approximately 0.07 kilometers from the Puente Hills Blind Thrust. However, the site is not located within a State-designated Alquist-Priolo Zone (ZIMAS). Furthermore, the proposed project would be required to comply with the California Department of Conservation, Division of Mines and Geology (CDMG) Special Publications 117, Guidelines for Evaluating and Mitigating Seismic Hazards in California (1997), which provides guidance for the evaluation and mitigation of earthquake-related hazards, and with the seismic safety requirements in the Uniform Building Code (UBC) and the City of Los Angeles Building Code. Therefore, impacts related to strong seismic ground shaking would be less than significant.	
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Impact?	Explanation	Mitigation Measures
b.	<p>LESS THAN SIGNIFICANT IMPACT</p> <p>A significant impact would occur if the proposed project would cause personal injury or death or resulted in property damage as a result of seismic ground shaking. The entire Southern California region is susceptible to strong ground shaking from severe earthquakes. Seismic activities associated with a number of nearby faults (e.g., Hollywood, Raymond, Verdugo, Newport-Inglewood, Santa Monica, Sierra Madre, and San Andreas Faults), as well as blind thrust fault (e.g., Elysian Park, Puente Hills, and Compton), can generate seismic shaking that could affect the project site. The project site is located approximately 0.07 miles from the nearest Puente Hills Blind Thrust Fault (City of Los Angeles, ZIMAS). Consequently, development of the proposed project could expose people and structures to strong seismic ground shaking. However, the proposed project would be designed and constructed in accordance with State and local building codes to reduce the potential for exposure of people or structures to seismic risks to the maximum extent possible. The proposed project would be required to comply with the California Department of Conservation, Division of Mines and Geology (CDMG) Special Publications 117, Guidelines for Evaluating and Mitigating Seismic Hazards in California (1997), which provides guidance for the evaluation and mitigation of earthquake-related hazards, and with the seismic safety requirements in the Uniform Building Code (UBC) and the City of Los Angeles Building Code. Compliance with such requirements would reduce seismic ground shaking impacts to the maximum extent practicable with current engineering practices. Therefore, impacts related to strong seismic ground shaking would be less than significant.</p>	
c.	<p>NO IMPACT</p> <p>A significant impact would occur if the proposed project would cause personal injury or death or resulted in property damage as a result of liquefaction or other ground failure caused by ground shaking. According to ZIMAS, the project site is not located within a liquefaction zone, which is an area where historical occurrence of liquefaction, or local geological, geotechnical, and ground water conditions indicate a potential for</p>	

Impact?	Explanation	Mitigation Measures
	<p>permanent ground displacements such as mitigation as defined in Public Resources Code Section 2693(c) would be required. Therefore, the project is not anticipated to expose people or structures to potential substantial adverse effects related to liquefaction, and no impact would occur.</p>	
d. NO IMPACT	<p>A significant impact would occur if a project would have a significant geologic hazard impact and cause or accelerate geologic hazards that would result in substantial damage to structures or infrastructure, or expose people to substantial risk of injury. Due to the lack of slopes on the site and surrounding areas, the probability of seismically induced landslides is expected to be minimal. Also, according to ZIMAS, the project site is not located within a landslide area. Therefore, no impact would occur.</p>	
e. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if construction activities or future uses would result in substantial soil erosion or loss of topsoil. Construction of the proposed project would result in ground surface disturbance during site clearance, excavation, and grading, which could create the potential for soil erosion to occur. Site preparation would require the removal of all vegetation, any unsuitable fill, and asphalt and concrete paving, exposing pervious surfaces to wind and rainfall. In addition, excavation activities would be necessary to accommodate the proposed project, which would include one level of subterranean parking and the export of approximately 20,000 cubic yards of earth materials. However, grading activities would require grading permits from the Los Angeles Department of Building and Safety (LADBS), which include requirements and standards designed to limit potential impacts to acceptable levels. In addition, all on-site grading and site preparation would comply with applicable provisions of Chapter IX, Division 70 of the Los Angeles Municipal Code, which addresses grading, excavations, and fills. Furthermore, construction activities would be performed in accordance with the requirements of the Los Angeles Building Code and the Los Angeles Regional Water Quality Control Board (LARWQCB) through the City's Stormwater Management Division.</p>	

Impact?	Explanation	Mitigation Measures
	<p>With the implementation of the required construction best management practices and the City's regulations related to soil erosion, the project's impacts related to erosion or the loss of topsoil would be less than significant.</p>	
f. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if any unstable geological conditions would result in any type of geological failure, including lateral spreading, off-site landslides, liquefaction, or collapse. The project does not involve groundwater withdrawal or petroleum production that could cause the permanent collapse of the pore space previously occupied by the removed fluid. Furthermore, according to ZIMAS, the project site is not located within a landslide zone or a liquefaction area. The proposed project would be required to implement standard construction practices and comply with all applicable building codes and regulations, including those established by the California Geological Survey's "Guidelines for Evaluating and Mitigating Seismic Hazards in California, Special Publication No. 117" for liquefaction hazards, the International Building Code as adopted by the State of California and County of Los Angeles, and State and County laws, ordinances, and code requirements. In addition, with adherence to existing regulations, impacts related to liquefaction would be reduced to less than significant.</p>	
g. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would be built on expansive soils without proper site preparation or design features to provide adequate foundations for project building, thus, posing a hazard to life and property. Expansive soils have relatively high clay mineral content and are usually found in areas where underlying formations contain an abundance of clay minerals. Due to high clay content, expansive soils expand with the addition of water and shrink when dried, which can cause damage to overlying structures. Soils on the project site may have the potential to shrink and swell resulting from changes in the moisture content. However, the proposed project would be required to comply with the requirements of the City of Los Angeles Building Code and other applicable building codes. Compliance</p>	

Impact?	Explanation	Mitigation Measures
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		with such requirements would reduce impacts related to expansive soils, and impacts would be less than significant.	
h.	NO IMPACT	A project would cause a significant impact if adequate wastewater disposal is not available. The project site is located in a highly urbanized area, where wastewater infrastructure is currently in place. The proposed project would connect to existing sewer lines that serve the project site and would not use septic tanks or alternative wastewater disposal systems. Therefore, no impact would occur.	

VII. GREEN HOUSE GAS EMISSIONS

a.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>The City has adopted the LA Green Plan to provide a citywide plan for achieving the City's greenhouse gas (GHG) emissions targets, for both existing and future generation of GHG emissions. In order to further implement the LA Green Plan's goal of improving energy conservation and efficiency, the Los Angeles City Council has adopted multiple ordinances and updates to establish the current Los Angeles Green Building Code applicable to new development projects. As it relates to new development, the City adopted the LA Green Building Code, and in some cases, outlines stricter GHG reduction measures available to development projects in the City of Los Angeles. The LA Green Building Code requires projects to achieve a 20 percent reduction in potable water use and wastewater generation, meet and exceed Title 24 Standards. As the LA Green Building Code applicable provisions of the CALGreen Code, a new development project that can demonstrate it complies with the LA Green Building Code is considered consistent with statewide GHG reduction goals and policies including AB32 (California Global Warming Solutions Act of 2006). Through required implementation of the LA Green Building Code, the proposed project would be consistent with local and statewide goals and policies aimed at reducing the generation of GHGs. Furthermore, the project shall implement the referenced mitigation measure to reduce volatile organic compound emissions from</p>	VII-10
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Impact?	Explanation	Mitigation Measures
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		<p>architectural coating and other greenhouse gas emissions. Compliance with existing regulations and implementation of the referenced mitigation measure would ensure the project's impacts related to greenhouse gas emissions would be less than significant.</p>	
b.	LESS THAN SIGNIFICANT IMPACT	<p>The California legislature passed Senate Bill (SB) 375 to connect regional transportation planning to land use decisions made at a local level. SB 375 requires the metropolitan planning organizations to prepare a Sustainable Communities Strategy (SCS) in their regional transportation plans to achieve the per capita GHG reduction targets. For the SCAG region, the SCS is contained in the 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The 2012-2035 RTP/SCS focuses the majority of new housing and job growth in high-quality transit areas and other opportunity areas on existing main streets, in downtowns, and commercial corridors, resulting in an improved jobs-housing balance and more opportunity for transit-oriented development. In addition, SB 743, adopted September 27, 2013, encourages land use and transportation planning decisions and investments that reduce vehicle miles traveled that contribute to GHG emissions, as required by AB 32. The project would provide an infill development proximate to a major transportation corridor along Wilshire Boulevard and would not interfere with SCAG's ability to implement the regional strategies outlined in the 2012-2035 RTP/SCS.</p>	
VIII. HAZARDS AND HAZARDOUS MATERIALS			
a.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials. The proposed project involves the construction of a five-story mixed-use development containing 15,000 square feet of retail space and 180 dwelling units. The project will include an on-site parking garage that consists of a ground level and a subterranean level. Construction of the proposed project would involve the temporary use of hazardous materials that</p>	

Impact?	Explanation	Mitigation Measures
	<p>are typically necessary for construction of commercial and residential developments (e.g., paints, building materials, cleaners, and fuel for construction equipment). However, the transport, use, and disposal of construction-related hazardous materials would occur in conformance with all applicable local, State, and Federal regulations governing such activities. Operation of the project would involve the limited use and storage of common hazardous substances typical of those used in residential and commercial developments, including lubricants, paints, cleaning supplies, pesticides and other landscaping supplies, and vehicle fuels, oils, and transmission fluids. No industrial uses or activities are proposed that would result in the use or discharge of unregulated hazardous materials and/or substances or create a public hazard through transport, use, or disposal. The project proposes retail and residential mixed-use development and therefore would not involve large quantities of hazardous materials that would require routine transport, use, or disposal. The proposed project's limited use of common hazardous materials can typically be disposed of at Class II or III landfills, which accept most common waste materials, such as those identified above. With compliance to applicable standards and regulations and adherence to manufacturer's instructions related to the transport, use, or disposal of hazardous materials, the proposed project would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, and impacts would be less than significant.</p>	
b.	<p>LESS THAN SIGNIFICANT IMPACT</p> <p>A significant impact would occur if the proposed project created a significant hazard to the public or environment due to a reasonably foreseeable release of hazardous materials. As discussed in Section VIII(a) above, all hazardous materials on site would be utilized in limited quantities and would comply with federal, State, and local regulations. Therefore, operational impacts would be less than significant. The project site is currently improved with a one-story retail building, which will be demolished as part of the proposed project. The existing retail building was built in 1971 and therefore</p>	

Impact?	Explanation	Mitigation Measures
	<p>may contain asbestos-containing materials (ACMs) and lead-based paint (LBP). Demolition of these buildings would have the potential to release asbestos fibers into the atmosphere if such materials exist and they are not properly stabilized or removed prior to demolition activities. The removal of asbestos is regulated by SCAQMD Rule 1403; therefore, any asbestos found on-site would be required to be removed by a certified asbestos containment contractor in accordance with applicable regulations prior to demolition. Similarly, it is likely that lead-based paint is present in buildings constructed prior to 1979. Compliance with existing State laws regarding removal would be required. In addition, the project site is located within a known methane zone, which has a risk of methane intrusion emanating from geologic formations (ZIMAS). The proposed project is subject to the City's regulations pertaining to ventilation and methane gas detection systems set forth in Ordinance No. 175,790 and 180175,790 and 180,619. All new buildings and paved areas located in a Methane Zone or Methane Buffer Zone area are required to comply with regulations in the ordinances, including site testing of subsurface geological formations and installing a methane mitigation system. By complying with the City's regulations, the project would have a less-than-significant impact related to a significant hazard through reasonable foreseeable upset and accident conditions.</p>	
c. POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact would occur if the project site is located within one-quarter mile of an existing or proposed school site and is projected to release toxic emissions which would pose a health hazard beyond regulatory thresholds. The project site is located within a quarter mile from one public school, Hoover Street Elementary Schools, and private school and colleges including Rise Kohyang Middle School, Southwestern Law School, College of Southern California, and Newton International College. The grading, hauling, and construction activities may cause environmental impacts on the nearby school. Although the project site is</p>	XIV-40 and XIV-50

Impact?	Explanation	Mitigation Measures
	<p>within a Methane Buffer Zone, the applicant is required to comply with City's regulations pertaining to ventilation and methane gas detection systems and LAMC Chapter IX Article 1 Division 71, Building Code – Methane Seepage Regulations. Implementation of the mitigation measures XIV-40 and XIV-50 and compliance with regulations would reduce potential impacts to less than significant levels.</p>	
d. NO IMPACT	<p>A significant impact would occur if the project site is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and would create a significant hazard to the public or the environment. The California Department of Toxic Substances Control (DTSC) maintains a database (EnviroStor) that provides access to detailed information on hazardous waste permitted sites and corrective action facilities as well as existing site cleanup information. EnviroStor also provides information on investigation, cleanup, permitting, and/or corrective actions that are planned, being conducted, or have been completed under DTSC's oversight. A review of EnviroStor did not identify any records of hazardous waste facilities on the project site. Therefore, the proposed project would not be located on a site that is included on a list of hazardous materials sites or create a significant hazard to the public or the environment, and no impact would occur.</p>	
e. NO IMPACT	<p>A significant impact would occur if the proposed project exposed persons residing or working in the area to risks associated with the proximity of an airport or airstrip. The project site is not located in an airport land use plan area or within two miles of any public or public use airports or private air strips. Therefore, the proposed project would not result in a safety hazard for people residing or working in the project area, and no impact would occur.</p>	
f. NO IMPACT	<p>A significant impact would occur if the proposed project exposed persons residing or working in the area to risks associated with the proximity of an airport or airstrip. The project site is not located in an airport land use plan area or within two miles of any public or public use</p>	

Impact?	Explanation	Mitigation Measures
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		airports or private air strips. Therefore, the proposed project would not result in a safety hazard for people residing or working in the project area, and no impact would occur.	
g.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	A significant impact would occur if the proposed project would impair the implementation of an emergency response or evacuation plan or blockage of an emergency route. The nearest emergency/disaster routes and facilities to the project site are Hoover Street to the east, Western Avenue to the west, and a major acute care hospital located near Third Street and Virgil Avenue (City of Los Angeles, General Plan Safety Element Exhibit H, Critical Facilities & Lifeline Systems, 1995). The proposed project would not require the closure of any public or private streets and would not impede emergency vehicle access to the project site or surrounding area. Additionally, emergency access to and from the project site would be provided in accordance with requirements of the Los Angeles Fire Department (LAFD). Furthermore, implementation of the mitigation measure would increase emergency access to the project site. Compliance with the referenced mitigation measure XVI-50 would reduce potential impacts to less-than-significant.	XVI-50
h.	NO IMPACT	A significant impact would occur if the proposed project would expose people and structures to high risk of wildfire. The project site is located in a highly urbanized area of the City. The area surrounding the project site is completely developed. Accordingly, the project site and the surrounding area are not subject to wildland fires. Therefore, the proposed project would not expose people or structures to a risk of loss, injury, or death involving wildland fires, and no impact would occur.	
IX. HYDROLOGY AND WATER QUALITY			
a.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project discharges water that does not meet the quality standards of agencies which regulate surface water quality and water discharge into storm water drainage systems. A significant impact would also occur if the proposed project would not comply with all	

Impact?	Explanation	Mitigation Measures
	<p>applicable regulations with regard to surface water quality as governed by the Los Angeles Regional Water Quality Control Board (LARWQCB). As required under the National Pollution Discharge Elimination System (NPDES), the project applicant is responsible for preparing a Storm Water Pollution Prevention Plan (SWPPP) to mitigate the effects of erosion and the inherent potential for sedimentation and other pollutants entering the stormwater system. The SWPPP would incorporate the required implementation of Best Management Practices (BMPs) for erosion control and other measures to meet the NPDES requirements for stormwater quality. The project site is currently almost entirely covered with impervious surfaces. As such, the surface water runoff from the project site would continue to be directed to adjacent storm drains and would not percolate into the groundwater table beneath the site. Potential impacts to surface water runoff would be mitigated to a level of insignificance by incorporating stormwater pollution control measures. City of Los Angeles Ordinance No. 172,176 and Ordinance No. 173,494 specify Stormwater and Urban Runoff Pollution Control which require the application of Best Management Practices (BMPs). Chapter IX, Division 70 of the LAMC addresses grading, excavations, and fills. Full compliance with the applicable regulations and implementation of BMPs would ensure that the operation of the proposed project would not violate any water quality standards or discharge requirements or otherwise substantially degrade water quality. Therefore, the project's water quality impacts would be less than significant.</p>	
b. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would substantially deplete groundwater or interferes with groundwater recharge. The proposed project would not require the use of groundwater at the project site. The project site is currently almost entirely improved. As such, the project site is almost entirely impervious, and the development of the proposed project would continue to direct surface water runoff to adjacent storm drains and would not percolate into the groundwater table</p>	

Impact?	Explanation	Mitigation Measures
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		<p>beneath the site. The project proposes an onsite parking garage with one level of subterranean parking. Excavation activities for the subterranean parking level would extend to approximately 12 feet six inches below the existing surface grade. The proposed project is not anticipated to interfere with current groundwater flows, the existing groundwater level, or groundwater recharge. With adherence to existing regulations, impacts related to groundwater would be reduced to less than significant.</p>	
c.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would substantially alter the drainage pattern of an existing stream or river so that erosion or siltation would result. The project site is located in an urbanized area within the Wilshire Community Plan Area. No natural watercourses, including streams and rivers, exist on the project site or in the project vicinity, and the project site does not drain towards a natural watercourse. Project construction would temporarily expose on-site soils to surface water runoff. However, compliance with construction-related Best Management Practices and the Storm Water Pollution Prevention Plan (SWPPP) would control and minimize erosion and siltation. During project operation, storm water or any runoff irrigation waters would be directed into existing storm drains that are currently receiving surface water runoff under existing conditions. Since the project site is currently almost entirely impervious, impermeable surfaces resulting from the development of the proposed project would not substantially change the volume or direction of storm water runoff. Accordingly, significant alterations to existing drainage patterns within the project site and surrounding area would not occur. Therefore, the proposed project would result in a less-than-significant impact related to the alteration of drainage patterns and on- or off-site erosion or siltation.</p>	
d.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would substantially alter the drainage pattern of an existing stream or river such that flooding would result. There are no streams or rivers located in the project vicinity. During the project</p>	

Impact?	Explanation	Mitigation Measures
	<p>operation, stormwater or any runoff irrigation water would be directed into existing storm drains that are currently receiving surface water runoff under existing conditions. Since the project site is almost entirely impervious, impermeable surfaces resulting from the development of the project would not substantially change the volume of storm water runoff in a manner that would result in flooding on- or off-site. Accordingly, significant alterations to existing drainage patterns within the site and surrounding area would not occur. Therefore, the proposed project would result in less-than-significant impacts related to the alteration of drainage patterns and on- or off-site flooding.</p>	
e. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if runoff water would exceed the capacity of existing or planned storm drain systems serving the project site or if the proposed project would substantially increase the probability that polluted runoff would reach the storm drain system. The project site is currently almost entirely developed and impermeable. The development of the proposed project would maintain existing drainage patterns, and site-generated surface water runoff would continue flowing to the City's storm drain system. Since the project site is almost entirely impervious, impermeable surfaces resulting from the development of the project would not significantly change the volume of storm water runoff. Accordingly, since the volume of runoff from the site would not measurably increase over existing conditions, water runoff after development would not exceed the capacity of existing or planned drainage systems. The proposed project would not create or contribute runoff water that would exacerbate any existing deficiencies in the storm drain system or provide substantial additional sources of polluted runoff. Furthermore, stormwater retention would be required as part of the LID/SUSMP implementation features. The proposed project would be required to demonstrate compliance with LID Ordinance and retain or treat the first ¾ inch of rainfall in a 24-hour period. Therefore, the proposed project would result in less-than-significant impacts related to existing storm drain capacities or water quality.</p>	

Impact?	Explanation	Mitigation Measures
f.	<p>LESS THAN SIGNIFICANT IMPACT</p> <p>A significant impact would occur if the proposed project would substantially degrade water quality. As required under the National Pollution Discharge Elimination System (NPDES), the project applicant is responsible for preparing a Storm Water Pollution Prevention Plan (SWPPP) to mitigate the effects of erosion and the inherent potential for sedimentation and other pollutants entering the stormwater system. The SWPPP would incorporate the required implementation of Best Management Practices (BMPs) for erosion control and other measures to meet the NPDES requirements for stormwater quality. The project site is currently almost entirely covered with impervious surfaces. As such, the surface water runoff from the project site will continue to be directed to adjacent storm drains and would not percolate into the groundwater table beneath the site. Potential impacts to surface water runoff would be mitigated to a level of insignificance by incorporating stormwater pollution control measures. City of Los Angeles Ordinance No. 172,176 and Ordinance No. 173,494 specify Stormwater and Urban Runoff Pollution Control which require the application of Best Management Practices (BMPs). Chapter IX, Division 70 of the LAMC addresses grading, excavations, and fills. The proposed project is required to comply with the City's regulations specified in LAMC and the Ordinances. Full compliance with the applicable regulations and implementation of BMPs would ensure that the operation of the proposed project would not violate any water quality standards or discharge requirements or otherwise substantially degrade water quality. Therefore, the project's water quality impacts would be less than significant.</p>	
g.	<p>NO IMPACT</p> <p>A significant impact would occur if the proposed project would place housing within a 100-year flood plain or other flood hazard delineation map. According to ZIMAS, the project site is not located within a 100-year flood plain. Therefore, the proposed development would not place housing within a 100-year flood plain, and no impact would occur.</p>	

Impact?	Explanation	Mitigation Measures
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h.	NO IMPACT	A significant impact would occur if the proposed project would be located within a 100-year floodplain or would impede or redirect water flows. According to ZIMAS, the project site is not located within a 100-year flood plain. Therefore, the proposed development would not place structures which would impede or redirect flood flows. No impact would occur.	
i.	NO IMPACT	A significant impact would occur if the proposed project would be located within an area susceptible to flooding as a result of the failure of a levee or dam. The project site is not located within a flood hazard area. Accordingly, the proposed project would not expose people or structures to a significant risk of loss, injury, or death involving flooding. Therefore, the proposed project would have no impact related to flooding.	
j.	NO IMPACT	A significant impact would occur if the proposed project would be located within an area susceptible to flooding as a result of the failure of a levee or dam. The project site is not located within a flood hazard area. Accordingly, the proposed project would not inundated by seiche, tsunami, or mudflow. Therefore, the proposed project would have no impact.	

X. LAND USE AND PLANNING

a.	NO IMPACT	A significant impact would occur if the proposed project would be sufficiently large or configured in such a way so as to create a physical barrier within an established community. A physical division of an established community is caused by an impediment to through travel or a physical barrier, such as a new freeway with limited access between neighborhoods on either side of the freeway or major street closures. The proposed project would not involve any street vacation or closure or result in development of new thoroughfares or highways. The proposed project, which involves the construction of a mixed-use development in an urbanized area in Los Angeles, would not divide an established community. Therefore, the proposed project would have no impact related to the division of an established community.	
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Impact?	Explanation	Mitigation Measures
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b.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would be inconsistent with applicable plans, policies, and zoning regulations. The project site is located in the Wilshire Community Plan Area of the City of Los Angeles. The project site is zoned C2-1 and is designated for Neighborhood Office Commercial by the Wilshire Community Plan. The project proposes a mixed-use development comprising approximately 15,000 square feet of retail and commercial spaces and 180 dwelling units. The building will be 59 feet in height. The applicant is requesting two off-menu incentives: (a) FAR increase to allow 3:1 in lieu of 1.5:1; and (b) relief from the Wilshire Community Plan General Plan Land Use Map Footnote 5 that limits the commercial zone to Height District 1. With the approval of the requested entitlements, the proposed project would be consistent with applicable plans, policies, and zoning regulations. Furthermore, approval of the project's discretionary requests would not result in any adverse environmental impacts. Therefore, the project would have less than significant impacts.</p>	
c.	NO IMPACT	<p>A significant impact would occur if the proposed project were located within an area governed by a habitat conservation plan or natural community conservation plan. The project site is not subject to any habitat conservation plan or natural community conservation plan. Therefore, no impact would occur.</p>	
XI. MINERAL RESOURCES			
a.	NO IMPACT	<p>A significant impact would occur if the proposed project would result in the loss of availability of known mineral resources of regional value or locally-important mineral resource recovery site. The project site is not classified by the City as containing significant mineral deposits (City of Los Angeles, Environmental and Public Facilities Maps, Areas Containing Significant Mineral Deposits in the City of Los Angeles, 1995). Furthermore, the project site is not identified by the City as being located in an oil field or a mineral extraction land use (City of Los Angeles, General Plan Safety element Exhibit E, Oil Field & Oil Drilling Areas in the City of Los Angeles, 1996). Therefore, the proposed project would not result in the loss of availability of any known</p>	

Impact?	Explanation	Mitigation Measures
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		regionally- or locally-valuable mineral resource. No impact would occur.	
b.	NO IMPACT	A significant impact would occur if the proposed project would result in the loss of availability of known mineral resources of regional value or locally-important mineral resource recovery site. The project site is not classified by the City as containing significant mineral deposits (City of Los Angeles, Environmental and Public Facilities Maps, Areas Containing Significant Mineral Deposits in the City of Los Angeles, 1995). Furthermore, the project site is not identified by the City as being located in an oil field or a mineral extraction land use (City of Los Angeles, General Plan Safety element Exhibit E, Oil Field & Oil Drilling Areas in the City of Los Angeles, 1996). Therefore, the proposed project would not result in the loss of availability of any known regionally- or locally-valuable mineral resource. No impact would occur.	

XII. NOISE

a.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact may occur if the proposed project would generate excess noise that would cause the ambient noise environment at the project site to exceed noise level standards set forth in the City of Los Angeles General Plan Noise Element and the City of Los Angeles Noise Ordinance. The City of Los Angeles has established policies and regulations concerning the generation and control of noise that could adversely affect its citizens and noise-sensitive land uses.</p> <p>Construction activity would result in temporary increases in ambient noise levels in the project area on an intermittent basis. Noise levels would fluctuate depending on the construction phase, equipment type and duration of use, distance between the noise source and receptor, and presence or absence of noise attenuation barriers. Construction noise for the project will cause a temporary increase in the ambient noise levels, but will be subject to the LAMC Sections 112.05 (Maximum Noise Level of Powered Equipment or Powered Hand Tools) and 41.40 (Noise Due to Construction, Excavation Work – When Prohibited) regarding</p>	XII-20
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Impact?	Explanation	Mitigation Measures
	<p>construction hours and construction equipment noise thresholds. Furthermore, implementation of the mitigation measures would reduce construction noise impacts. The project shall comply with the City of Los Angeles General Plan Noise Element and Ordinance No. 161,574, which prohibits the emission of creation of noise beyond certain levels at adjacent uses unless technically infeasible. With compliance with the applicable regulations and mitigation measures, the project would have less-than-significant impacts.</p>	
b. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact may occur if the proposed project would generate excessive groundborne vibration or groundborne noise levels that would cause a long-term annoyance or harm to human receptors or structural damage to buildings and foundations. Construction activities can generate varying degrees of vibration, depending on the construction procedures and the type of construction equipment used. High levels of vibration may cause physical personal injury or damage to buildings. However, vibrations rarely affect human health. The operation of construction equipment generates vibrations that spread through the ground and diminish with distance from the source. Unless heavy construction activities are conducted extremely close (within a few feet) to the neighboring structures, vibrations from construction activities rarely reach the levels that damage structures. By complying with regulations, the project would result in a less-than-significant impact related to construction vibration.</p>	
c. POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact would occur if the project caused a substantial permanent increase in noise levels above existing ambient levels. Upon completion and operation of the proposed project, on-site operational noise would be generated by heating, ventilation, and air conditioning (HVAC) equipment installed on the new structure. However, the noise levels generated by these equipment types are not anticipated to be substantially greater than those generated by the current HVAC equipment serving the existing buildings in the project</p>	XII-60

Impact?	Explanation	Mitigation Measures
	<p>vicinity. The proposed project is a mixed-use development with 15,000 square feet of retail space on the ground floor and 180 residential units on levels two through five. The noise from retail use on the ground floor may have an impact on the future residents of the site and neighboring residents. Therefore, impacts related to permanent increase in ambient noise levels would be less than significant with the implementation of the mitigation measures.</p>	
d. POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact would occur if the proposed project resulted in substantial temporary or periodic increase in ambient noise levels. As discussed in Section XII(a), construction activities of the proposed project would result in temporary increases in noise levels in the project area on an intermittent basis. Compliance with the City's regulations related to noise and implementation of the referenced mitigation measure would reduce the project's potential impacts to a less-than-significant level.</p>	XII-20
e. NO IMPACT	<p>A significant impact would occur if the proposed project would expose people residing or working in the project area to excessive noise levels from a public airport or public use airport. The proposed project is not located within two miles of a public airport or public use airport. The project site is located outside of the Los Angeles International Airport Land Use Plan area. Accordingly, the proposed project would not expose people working or residing in the project area to excessive noise levels from a public airport or public use airport. Therefore, no impact would occur.</p>	
f. NO IMPACT	<p>A significant impact would occur if the proposed project would expose people residing or working in the project area to excessive noise levels from a private airstrip. The proposed project is not within the vicinity of a private airstrip. Accordingly, the proposed project would not expose people working or residing in the project area to excessive noise levels from a private airstrip. Therefore, no impact would occur.</p>	
XIII. POPULATION AND HOUSING		

Impact?	Explanation	Mitigation Measures
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a.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would induce substantial population growth that would not have otherwise occurred as rapidly or in as great a magnitude. The proposed project would result in the net increase of 180 residential dwelling units on the project site. The increase in residential population resulting from the proposed project would not be considered substantial in consideration of anticipated growth for the Wilshire Community Plan and is within the Southern California Association of Government (SCAG)'s growth forecast of 192,192 additional households and approximately 290,797 people in the City of Los Angeles between 2010 and 2030 (SCAG 2012 Regional Transportation Plan Growth Forecast for the City of Los Angeles Subregion). Therefore, the project would have a less-than-significant impact related to substantial population growth.	
b.	NO IMPACT	A significant impact would occur if the proposed project would displace a substantial quantity of existing residences. The project proposes to construct a mixed-use development including 180 residential dwelling units on a site that is developed with an appliance store. The project would not displace any existing housing and does not necessitate the construction of replacement housing elsewhere. No impact would occur.	
c.	NO IMPACT	A significant impact would occur if the proposed project would displace a substantial quantity of existing residences. The project proposes to construct a mixed-use development including 180 residential dwelling units on a site that is developed with an appliance store. The project would not displace any people and does not necessitate the construction of replacement housing elsewhere. No impact would occur.	

XIV. PUBLIC SERVICES

a.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	A significant impact would occur if the Los Angeles Fire Department (LAFD) could not adequately serve the proposed project, necessitating a new or physically altered station. The project site and the surrounding area are currently served by three LAFD stations: Station #11 located at 1819 W. 7th Street; Station #29 located at 4029 Wilshire Blvd.; and Station #6	XIV-10
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Impact?	Explanation	Mitigation Measures
	<p>located at 826 N. Virgil Ave. The project proposes a five-story mixed-use development with 15,000 square feet of retail and 180 residential units. The increased activities associated with the proposed project could increase the number of emergency calls and demand for LAFD fire and emergency services. Implementation of the mitigation measure requiring design features to accommodate fire services during emergency would reduce potential impacts related to fire protection. Furthermore, given that three fire stations are located in close proximity to the project site, it is not anticipated that there would be a need to build a new or expand an existing fire station to serve the proposed project and maintain acceptable service ratios, response times, or other performance objectives for fire protection. Therefore, the proposed project would result in a less-than-significant impact related to LAFD fire protection services with the implementation of the mitigation measure.</p>	
<p>b. POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED</p>	<p>A significant impact would occur if the Los Angeles Police Department (LAPD) could not adequately serve the proposed project, necessitating a new or physically altered station. The project site and the surrounding area are currently served by LAPD's West Bureau Olympic Station located at 1130 South Vermont Avenue. The proposed mixed-use development would result in increased activity levels on the subject property. However, the project is not anticipated to create capacity/service level problems nor result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities in order to maintain acceptable service ratios, response times, or other performance objectives for police protection. Furthermore, implementation of the mitigation measures for impacts during the construction phase of the project and design features would reduce potential impacts to police protection to less than significant levels.</p>	<p>XIV-20, XIV-30</p>

Impact?	Explanation	Mitigation Measures
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c.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact would occur if the proposed project would include substantial employment or population growth, which could generate a demand for school facilities that would exceed the capacity of the school district. The applicant proposes a mixed-use development containing 15,000 square feet of retail space and 180 residential dwelling units. The proposed project would increase enrollment at schools that service that service the area. However, development of the proposed project would be subject to California government Code Section 65995, which would allow LAUSD to collect impact fees from developers of new residential and commercial space. Conformance to California Government Code Section 65995 is deemed to provide full and complete mitigation of impacts to school facilities. The project site is located within a quarter mile from one public school, Hoover Street Elementary Schools, and private school and colleges including Rise Kohyang Middle School, Southwestern Law School, College of Southern California, and Newton International College. The grading, hauling, and construction activities may cause environmental impacts on the nearby school. Implementation of the referenced mitigation measures would reduce potential environmental impacts to less-than-significant levels.</p>	XIV-40, XIV-50
d.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would exceed the capacity or capability of local park systems to serve the proposed project. The project site is located in close to various parks and recreation centers (within one mile) including Lafayette Park and Community Center located at 615 S. La Fayette Park Place, Shatto Recreation Center located at 3191 W. 4th Street, and MacArthur Park and Recreation Center located at 2230 W. 6th Street. The project proposes a mixed-use development with 15,000 square feet of retail and 180 residential dwelling units. The project will provide approximately 18,418 square feet of open space and amenities on site, including a courtyard, community room, gym, and balconies. These on-site open</p>	

Impact?	Explanation	Mitigation Measures
	space areas and amenities would reduce impacts on existing parks and recreation facilities and would not result in substantial physical deterioration of these facilities. Accordingly, the project would not result in substantial adverse physical impacts on parks.	
e. LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would result in substantial employment or population growth that could generate a demand for other public facilities, such as libraries, which would exceed the capacity to service the project site. The City of Los Angeles Public Library (LAPL) provides library services throughout the City. The nearest public libraries to the site include Pio Pico Library at 694 S. Oxford Ave., Felipe De Neve Branch Library located at 2820 W. 6th St., and Pico Union Branch Library located at 1030 S. Alvarado St. As such, the project site will be served by three public libraries to meet the demand of library services. Therefore, impacts would be less than significant.	
XV. RECREATION		
a. LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would exceed the capacity or capability of the existing park system and result in substantial physical deterioration of the facilities. The project site is located in close to various parks and recreation centers (within one mile) including Lafayette Park and Community Center located at 615 S. La Fayette Park Place, Shatto Recreation Center located at 3191 W. 4th Street, and MacArthur Park and Recreation Center located at 2230 W. 6th Street. The project proposes a mixed-use development with 15,000 square feet of retail and 180 residential dwelling units. The project will provide approximately 18,418 square feet of open space and amenities on site, including a courtyard, community room, gym, and balconies. The project is not expected to exceed the existing service capacity of these parks. Therefore, the proposed project would not create capacity or service level problems or result in substantial physical impacts associated with the provision of new or altered parks facilities. Accordingly, the proposed project would result in a less-than-significant impact on park facilities.	

Impact?	Explanation	Mitigation Measures
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b.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact would occur if the proposed project would necessitate construction of new recreational facilities, which would adversely impact the environment, or require the expansion or development of parks or other recreational facilities in order to maintain acceptable service ratios or other performance objectives for parks. The project proposes a mixed-use development with 15,000 square feet of retail and 180 residential dwelling units. The project will provide approximately 18,418 square feet of open space and amenities on site, including a courtyard, community room, gym, and balconies. These open space and recreational facilities will be constructed on site within the proposed building envelope. Furthermore, the project site is located in close to various parks and recreation centers (within one mile) including Lafayette Park and Community Center located at 615 S. La Fayette Park Place, Shatto Recreation Center located at 3191 W. 4th Street, and MacArthur Park and Recreation Center located at 2230 W. 6th Street. Therefore, the project would not require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment. Less than significant impact would occur.</p>	
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XVI. TRANSPORTATION/TRAFFIC

a.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	<p>A significant impact may occur if the project conflicted with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system. The Los Angeles Department of Transportation (LADOT) has reviewed the traffic analysis prepared by Raju Associates, dated June 2015, for the proposed mixed-use development. Based on DOT's traffic impact criteria, the traffic study included the detailed analysis of six intersections including Vermont Avenue and Wilshire Boulevard, Vermont Avenue and 7th Street, Westmoreland Avenue and 7th Street, Westmoreland Avenue and 8th Street, Wilshire Place and 7th Street, and Hoover Street and 7th Street, and determined that none of the study intersections would be significantly impacted by project-related traffic. The</p>	XVI-30, XVI-80
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Impact?	Explanation	Mitigation Measures
	<p>project is estimated to generate a net increase of 585 daily trips, 68 trips in the a.m. peak hour, and 60 trips in the p.m. peak hour. Based on the LADOT's traffic impact criteria, the proposed development is not expected to result in significant traffic impacts. However, the project is expected to export approximately 20,000 cubic yards of earth material from the site. The construction activities for the project development may impact the circulation system for haul routes, pedestrian activities, and streets. Implementation of the referenced mitigation measure would reduce potential impacts to less than significant.</p>	
b. LESS THAN SIGNIFICANT IMPACT	<p>A significant impact may occur if the adopted California Department of Transportation (Caltrans) and Los Angeles County Metropolitan Transportation Authority (Metro) thresholds for a significant project impact would be exceeded. The Congestion Management Program (CMP) was created Statewide as a result of Proposition 111 and has been implemented locally by Metro. The CMP for Los Angeles County requires that the traffic impacts of individual development projects of potential regional significance be analyzed. Specific arterial roadways and all State highways comprise the CMP system, and a total of 164 intersections are identified for monitoring throughout Los Angeles County. The local CMP requires that all CMP monitoring intersections be analyzed where a project would likely add more than 50 trips during either the a.m. or p.m. peak hours. The project is not expected to add more than 50 trips during both the a.m. or p.m. peak hours at CMP monitoring intersections. Therefore, impacts would be less than significant.</p>	
c. NO IMPACT	<p>A significant impact would occur if the proposed project would cause a change in air traffic patterns that would result in a substantial safety risk. The proposed project does not include an aviation component or include features that would interfere with air traffic patterns. Therefore, no impact would occur.</p>	

Impact?	Explanation	Mitigation Measures
d.	<p>POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED</p>	<p>A significant impact would occur if the proposed project would substantially increase an existing hazardous design feature or introduced incompatible uses to the existing traffic pattern. The proposed project would not include unusual or hazardous design features. However, the proposed project will include a vehicular access driveway on 7th Street, which, if not properly designed and constructed, could potentially conflict with pedestrian circulation in the project area. Furthermore, the project may have potentially significant impacts on pedestrians on the street during construction phases. With implementation of the referenced mitigation measure, the potential impacts related to hazards due to a design feature would be reduced to less-than-significant levels.</p> <p>XVI-40</p>
e.	<p>POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED</p>	<p>A significant impact may occur if the project design would not provide emergency access meeting the requirements of the Los Angeles Fire Department, or in any other way threatened the ability of emergency vehicles to access and serve the project site or adjacent uses. The nearest emergency/disaster routes and facilities to the project site are Hoover Street to the east, Western Avenue to the west, and a major acute care hospital located near Third Street and Virgil Avenue (City of Los Angeles, General Plan Safety Element Exhibit H, Critical Facilities & Lifeline Systems, 1995). The proposed project would not require the closure of any public or private streets and would not impede emergency vehicle access to the project site or surrounding area. Additionally, emergency access to and from the project site would be provided in accordance with requirements of the Los Angeles Fire Department (LAFD). Furthermore, implementation of the mitigation measure would increase emergency access to the project site. Compliance with the referenced mitigation measure would reduce potential impacts to less-than-significant.</p> <p>XVI-50</p>

Impact?	Explanation	Mitigation Measures
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f.	NO IMPACT	A significant impact may occur if the proposed project would conflict with adopted policies or involve modification of existing alternative transportation facilities located on- or off-site. The proposed project would not require the disruption of public transportation services or the alteration of public transportation routes. Furthermore, the proposed project would not interfere with any Class I or Class II bikeway systems. Since the proposed project would not modify or conflict with any alternative transportation policies, plans or programs, it would have no impact on such programs.	
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XVII. UTILITIES AND SERVICE SYSTEMS

a.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would exceed wastewater treatment requirements of the Los Angeles Regional Water Quality Control Board (LARWQCB). The sewage flow generated by the proposed project will be conveyed to the Hyperion Treatment Plant (HTP), which experiences an average daily flow of 362 million gallons per day (mgd), below the maximum capacity of 450 mgd. The HTP has sufficient capacity for the proposed project. Furthermore, all wastewater from the project would be treated according to requirements of the NPDES permit authorized by the LARWQCB. Therefore, the project would result in a less-than-significant impact related to wastewater treatment requirements.	
b.	LESS THAN SIGNIFICANT IMPACT	A significant impact would occur if the proposed project would increase water consumption or wastewater generation to such a degree that the capacity of facilities currently serving the project site would be exceeded. The Los Angeles Department of Water and Power (LADWP) conducts water planning based on forecast population growth. Accordingly, the increase in residential population resulting from the proposed project would not be considered substantial in consideration of anticipated growth. The addition of 180 units as a result of the proposed project would be consistent with Citywide growth, and, therefore, the project demand for water is not anticipated to require new water supply entitlements and/or require the expansion of existing or construction of new water treatment facilities beyond	

Impact?	Explanation	Mitigation Measures
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		<p>those already considered in the LADWP 2010 Urban Water Management Plan. Thus, it is anticipated that the proposed project would not create any water system capacity issues, and there would be sufficient reliable water supplies available to meet project demands. Prior to any construction activities, the project applicant would be required to coordinate with the City of Los Angeles Bureau of Sanitation (BOS) to determine the exact wastewater conveyance requirements of the proposed project, and any upgrades to the wastewater lines in the vicinity of the project site that are needed to adequately serve the proposed project would be undertaken as part of the project. Therefore, the proposed project would have a less-than-significant impact related to water or wastewater infrastructure.</p>	
c.	LESS THAN SIGNIFICANT IMPACT	<p>A significant impact may occur if the volume of stormwater runoff increases to a level exceeding the capacity of the storm drain system serving the project site or if a project would substantially increase the probability that polluted runoff would reach the storm drain system. The project site is currently fully improved with an appliance store and its surface parking lot. Almost the entire project site is covered with impermeable surfaces with some ornamental vegetation. The project site would continue to be covered with impermeable surfaces, with some ornamental vegetation. Development of the proposed project would not alter the amount of runoff on the project site. Furthermore, according to the Bureau of Sanitation (BOS)'s preliminary evaluation of the proposed project's potential impacts to the wastewater and stormwater systems, the project requires implementation of requirements in the Standard Urban Stormwater Mitigation Plan (SUSMP) and the recently adopted Low Impact Development (LID) requirements. In addition, the project is required to implement stormwater control measures during its construction phase to lessen the impact of stormwater pollution. Projects that involve construction during the rainy season that is between October 1 and April 15 are required to prepare a Wet Weather Erosion Control Plan. With compliance with existing regulations, the</p>	

Impact?	Explanation	Mitigation Measures
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		project would have less-than-significant impacts.	
d.	LESS THAN SIGNIFICANT IMPACT	Refer to Response to Checklist Question XVII (b).	
e.	LESS THAN SIGNIFICANT IMPACT	A significant impact may occur if a project would increase wastewater generation to such a degree that the capacity of facilities currently serving the project site would be exceeded. As stated in Section XVII(a) and (b), the sewage flow will be conveyed to the Hyperion Treatment Plan, which has sufficient capacity for the proposed project.	
f.	LESS THAN SIGNIFICANT IMPACT	A significant impact may occur if a project were to increase solid waste generation to a degree such that the existing and projected landfill capacity would be insufficient to accommodate additional solid waste. Solid waste generated within the City is disposed of at privately owned landfill facilities throughout Los Angeles County. While the Bureau of Sanitation provides waste collection services to single-family and some small multi-family developments, private haulers provide waste collection services for most multi-family residential and commercial developments within the City. Solid waste collected from the proposed project is anticipated to be hauled to Sunshine Canyon or Chiquita Canyon landfill. The proposed project's solid waste generation would be typical of residential and commercial uses and would not create a need for an additional facility. Impacts would be less than significant.	
g.	LESS THAN SIGNIFICANT IMPACT	A significant impact may occur if a project would generate solid waste that was not disposed of in accordance with applicable regulations. Solid waste generated on site by the proposed project would be disposed of in accordance with all applicable federal, state, and local regulations related to solid waste. The amount of project-related waste disposed of at area landfills would be reduced through recycling and waste diversion programs implemented by the City, in accordance with the City's Solid Waste Management Policy Plan (CiSWMPP) and the Source Reduction and Recycling Element (SRRE). The project would also comply with applicable regulatory measures, including the provisions of City's Ordinance No. 171,687 with regard to all new development. With the	

Impact?	Explanation	Mitigation Measures
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implementation of regulatory measures, project would have less-than-significant impacts.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

a.	NO IMPACT	A significant impact may occur only if the proposed project would have an identified potentially significant impact for any of the environmental topics addressed in this Initial Study. The proposed project is located in a densely populated urban area and would have no unmitigated significant impacts or less than significant impacts with respect to biological resources and cultural resources, provided the referenced mitigation measures listed previously are implemented. The proposed project would not degrade the quality of the environment, reduce or threaten any fish or wildlife species (endangered or otherwise), or eliminate important examples of the major periods of California history or prehistory.	
b.	LESS THAN SIGNIFICANT IMPACT	A significant impact may occur if the proposed project, in conjunction with the related projects in the area of the project site, would result in impacts that would be less than significant when viewed separately, but would be significant when viewed together. As concluded in this analysis, the proposed project's incremental contribution to cumulative impacts related to aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation and traffic, and utilities would be less than significant.	
c.	POTENTIALLY SIGNIFICANT UNLESS MITIGATION INCORPORATED	A significant impact may occur if the proposed project has the potential to result in significant impacts, as discussed in the preceding sections. Based on the preceding environmental analysis, the proposed project would not have significant environmental effects on human beings, either directly or indirectly. Any potentially significant impacts would be reduced to less than significant levels through the implementation of the applicable mitigation measures. Impacts would be less than significant with mitigation	XVIII-20

Impact?	Explanation	Mitigation Measures
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	measures incorporated.	
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**TRAFFIC STUDY
FOR THE
2972 7TH STREET MIXED-USE PROJECT**

JUNE 2015

Prepared for:

ARCHEON GROUP

Prepared by:

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Ref: RA 482

EXECUTIVE SUMMARY

A detailed traffic study has been performed by Raju Associates, Inc. to assess the traffic impacts of the proposed Mixed-Use Project located in the Koreatown community of the City of Los Angeles, California. The Project address is 2972 7th Street in the City of Los Angeles.

The Proposed Project includes construction of a five-story building containing 180 multi-family (apartment) dwelling units, 15,000 square feet of retail use and a subterranean parking structure. The Project will provide 206 parking spaces. The ground floor will contain 35 parking spaces for retail use and 41 parking spaces for residential use. The subterranean parking level will contain 130 spaces for residential use. The Project also provides 210 bicycles parking spaces at ground level. The existing site contains 28,900 square feet of retail use which will be removed/demolished.

A driveway located on the south side of 7th Street east of Westmoreland Avenue currently provides access to the site. As proposed, this driveway will be removed and a new driveway will be provided along 7th Street on the south side of the street at the intersection of Wilshire Place and 7th Street, which will become the south leg of the intersection. The Proposed Project would be required to facilitate provision of additional signal equipment to incorporate the fourth leg at this currently signalized 'T'-intersection. A second driveway for loading/unloading purposes will be provided along 7th Street located west of Wilshire Place.

Current and future traffic analyses at six intersections within the City of Los Angeles were conducted in this study. At these locations, traffic operations were studied prior to and after implementation of the Proposed Project, deficiencies and impacts identified, improvements and mitigation measures developed, their effectiveness determined and residual traffic impacts, if any, ascertained as part of this study. The following executive summary highlighting the key findings of this study is presented below.

- A total of six intersections were analyzed within the study area for this project. These locations are within the area bounded by Wilshire Boulevard on the north, 8th Street on the south, Vermont Avenue on the west and Hoover Street on the east.

- Currently, all six of the analyzed intersection locations are operating at levels of service, LOS D or better, during both the morning and evening peak hours.
- The Proposed Project consists of constructing 180 apartment dwelling units and 15,000 square feet of retail use replacing 28,900 square feet of existing retail use. The Project is estimated to generate a net total of approximately 68 trips during the morning peak hour and 60 trips during the evening peak hour.
- In the Existing (2015) plus Project conditions, both the morning and evening peak hour operating conditions would be similar to those for the Existing conditions. All six of the analyzed intersection locations are projected to continue to operate at levels of service, LOS D or better, during both the morning and evening peak hours.
- The Existing (2015) plus Project traffic conditions indicate that the Proposed Project would not cause significant traffic impacts at any of the analysis locations during the weekday morning and evening peak hours.
- In the Cumulative (Future Year 2017) Base conditions, i.e., future conditions without the implementation of the Proposed Project, five of the six analyzed intersection locations are projected to operate at LOS D or better during both the morning and evening peak hours. The remaining location, the intersection of Vermont Avenue and Wilshire Boulevard, is projected to operate at LOS F during both the morning and evening peak hours.
- In the Cumulative (Future Year 2017) plus Project conditions, the morning and evening peak hour operating conditions would be similar to those projected for the Cumulative Base conditions.
- The Cumulative (Future Year 2017) plus Project traffic conditions indicate that the Proposed Project would not cause significant traffic impacts at any of the analysis locations during both the weekday morning and evening peak hours.
- The Proposed Project would add less than 50 trips to the nearest Congestion Management Program (CMP) arterial monitoring locations and would add less than 150 trips in either direction to the nearest CMP mainline freeway monitoring locations during the weekday morning and evening peak hours. Per CMP guidelines, no further CMP analysis is required.

Summarizing, the Proposed Project would not cause any significant impacts at any of the analyzed intersections. Therefore, no project-specific mitigation measures would be required.

MITIGATION MONITORING PROGRAM

Section 21081.6 of the Public Resources Code requires a Lead Agency to adopt a “reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment” (Mitigation Monitoring Program, Section 15097 of the *CEQA Guidelines* provides additional direction on mitigation monitoring or reporting). This Mitigation Monitoring Program (MMP) has been prepared in compliance with the requirements of CEQA, Public Resources Code Section 21081.6, and Section 15097 of the CEQA Guidelines. The City of Los Angeles is the Lead Agency for this project.

A Mitigated Negative Declaration (MND) has been prepared to address the potential environmental impacts of the Project. Where appropriate, this environmental document identified Project design features, regulatory compliance measures, or recommended mitigation measures to avoid or to reduce potentially significant environmental impacts of the Proposed Project. This Mitigation Monitoring Program (MMP) is designed to monitor implementation of the mitigation measures identified for the Project.

The MMP is subject to review and approval by the City of Los Angeles as the Lead Agency as part of the approval process of the project, and adoption of project conditions. The required mitigation measures are listed and categorized by impact area, as identified in the MND.

The Project Applicant shall be responsible for implementing all mitigation measures, unless otherwise noted, and shall be obligated to provide documentation concerning implementation of the listed mitigation measures to the appropriate monitoring agency and the appropriate enforcement agency as provided for herein. All departments listed below are within the City of Los Angeles unless otherwise noted. The entity responsible for the implementation of all mitigation measures shall be the Project Applicant unless otherwise noted.

As shown on the following pages, each required mitigation measure for the proposed Project is listed and categorized by impact area, with accompanying discussion of:

Enforcement Agency – the agency with the power to enforce the Mitigation Measure.

Monitoring Agency – the agency to which reports involving feasibility, compliance, implementation and development are made, or whom physically monitors the project for compliance with mitigation measures.

Monitoring Phase – the phase of the Project during which the Mitigation Measure shall be monitored.

- Pre-Construction, including the design phase
- Construction
- Pre-Operation
- Operation (Post-construction)

Monitoring Frequency – the frequency of which the Mitigation Measure shall be monitored.

Action Indicating Compliance – the action of which the Enforcement or Monitoring Agency indicates that compliance with the required Mitigation Measure has been implemented.

The MMP performance shall be monitored annually to determine the effectiveness of the measures implemented in any given year and reevaluate the mitigation needs for the upcoming year.

It is the intent of this MMP to:

Verify compliance of the required mitigation measures of the MND;

Provide a methodology to document implementation of required mitigation;

Provide a record and status of mitigation requirements;

Identify monitoring and enforcement agencies;

Establish and clarify administrative procedures for the clearance of mitigation measures;

Establish the frequency and duration of monitoring and reporting; and

Utilize the existing agency review processes' wherever feasible.

This MMP shall be in place throughout all phases of the proposed Project. The entity responsible for implementing each mitigation measure is set forth within the text of the mitigation measure. The entity responsible for implementing the mitigation shall also be obligated to provide certification, as identified below, to the appropriate monitoring agency and the appropriate enforcement agency that compliance with the required mitigation measure has been implemented.

After review and approval of the final MMP by the Lead Agency, minor changes and modifications to the MMP are permitted, but can only be made by the Applicant or its successor subject to the approval by the City of Los Angeles through a public hearing. The Lead Agency, in conjunction with any appropriate agencies or departments, will determine the adequacy of any proposed change or modification. The flexibility is necessary in light of the proto-typical nature of the MMP, and the need to protect the environment with a workable program. No changes will be permitted unless the MMP continues to satisfy the requirements of CEQA, as determined by the Lead Agency.

MITIGATION MONITORING PROGRAM

Aesthetics

I-120 Aesthetics (Light)

Environmental impacts to the adjacent residential properties may result due to excessive illumination on the project site. However, the potential impacts will be mitigated to a less than significant level by the following measure:

- Outdoor lighting shall be designed and installed with shielding, such that the light source cannot be seen from adjacent residential properties, the public right-of-way, nor from above.

Enforcement Agency: Los Angeles Department of Building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Plan approval

I-130 Aesthetics (Glare)

Environmental impacts to adjacent residential properties may result from glare from the proposed project. However, the potential impacts will be mitigated to a less than significant level by the following measure:

- The exterior of the proposed structure shall be constructed of materials such as, but not limited to, high-performance and/or non-reflective tinted glass (no mirror-like tints or films) and pre-cast concrete or fabricated wall surfaces to minimize glare and reflected heat.

Enforcement Agency: Los Angeles Department of Building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Plan approval

Green House Gas Emissions

VII-10 Greenhouse Gas

Environmental impacts may result from project implementation due to increased greenhouse gas emissions. However, the impact can be reduced to a less than significant level through compliance with the following measure(s):

- Low- and non-VOC containing paints, sealants, adhesives, solvents, asphalt primer, and architectural coatings (where used), or pre-fabricated architectural panels shall be used in the construction of the Project to reduce VOC emissions to the maximum extent practicable.
- Any new construction shall include 20 percent of parking spaces set aside for EV ready parking.

Enforcement Agency: Los Angeles Department of Building and Safety; SCAQMD

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Periodic field inspections during construction

Action Indicating Compliance: Field inspection sign-off

Noise

XII-20 Increased Noise Levels (Demolition, Grading, and Construction Activities)

- Construction and demolition shall be restricted to the hours of 7:00 am to 6:00 pm Monday through Friday, and 8:00 am to 6:00 pm on Saturday.
- Demolition and construction activities shall be scheduled so as to avoid operating several pieces of equipment simultaneously, which causes high noise levels.
- The project contractor shall use power construction equipment with state-of-the-art noise shielding and muffling devices.
- A temporary noise control barrier shall be installed on the property line of the construction site abutting residential uses. The noise control barrier shall be engineered to reduce construction-related noise levels at the adjacent residential structures with a goal of a reduction of 10dBA. The supporting structure shall be engineered and erected according to applicable codes. The temporary barrier shall remain in place until all windows have been installed and all activities on the project site are complete.

Enforcement Agency: Los Angeles Department of Building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Ongoing during field inspection

Action Indicating Compliance: Issuance of Certificate of Occupancy or Use of Land

XII-60 Increased Noise Levels (Mixed-Use Development)

Environmental impacts to proposed on-site residential uses from noises generated by proposed on-site commercial uses may result from project implementation. However, the potential impact will be mitigated to a less than significant level by the following measure:

- Wall and floor-ceiling assemblies separating commercial tenant spaces, residential units, and public places, shall have a Sound Transmission Coefficient (STC) value of at least 50, as determined in accordance with ASTM E90 and ASTM E413.

Enforcement Agency: Los Angeles Department of City Planning (plan review); Los Angeles Department of Building and Safety (operation)

Monitoring Agency: Los Angeles Department of City Planning (plan review); Los Angeles Department of Building and Safety (operation and maintenance)

Monitoring Phase: Pre-construction; Construction

Monitoring Frequency: Once, at plan check for Project; Once, during field inspection

Action Indicating Compliance: Plan approval and issuance of applicable building permit (Preconstruction); Issuance of Certificate of Occupancy of Use of Land (Construction)

Public Services

XIV-10 Public Services (Fire)

Environmental impacts may result from project implementation due to the location of the project in an area having marginal fire protection facilities. However, this potential impact will be mitigated to a less than significant level by the following measure:

- The following recommendations of the Fire Department relative to fire safety shall be incorporated into the building plans, which includes the submittal of a plot plan for approval by the Fire Department either prior to the recordation of a final map or the approval of a building permit. The plot plan shall include the following minimum design features: fire lanes, where required, shall be a minimum of 20 feet in width; all structures must be within 300 feet of an approved fire hydrant, and entrances to any dwelling unit or

guest room shall not be more than 150 feet in distance in horizontal travel from the edge of the roadway of an improved street or approved fire lane.

Enforcement Agency: Los Angeles Department of Building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-Construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Issuance of building permits

XIV-20 Public Services (Police – Demolition/Construction Sites)

Temporary construction fencing shall be placed along the periphery of the active construction areas to screen as much of the construction activity from view at the local street level and to keep unpermitted persons from entering the construction area.

Enforcement Agency: Los Angeles Department of building and Safety

Monitoring Agency: Los Angeles Department of building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Periodic field inspections during construction

Action Indicating Compliance: Field inspection sign-off

XIV-30 Public Services (Police)

Environmental impacts may result from project implementation due to the location of the project in an area having marginal police services. However, this potential impact will be mitigated to a less than significant level by the following measure:

- The plans shall incorporate the design guidelines relative to security, semi-public and private spaces, which may include but not be limited to access control to building, secured parking facilities, walls/fences with key systems, well-illuminated public and

semi-public space designed with a minimum of dead space to eliminate areas of concealment, location of toilet facilities or building entrances in high-foot traffic areas, and provision of security guard patrol throughout the project site if needed. Please refer to "Design Out Crime Guidelines: Crime Prevention Through Environmental Design", published by the Los Angeles Police Department. Contact the Community Relations Division, located at 100 W. 1st Street, #250, Los Angeles, CA 90012; (213) 486-6000. These measures shall be approved by the Police Department prior to the issuance of building permits.

Enforcement Agency: Los Angeles Department of Building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-Construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Issuance of building permits

XIV-40 Public Services (Construction Activity Near Schools)

Environmental impacts may result from project implementation due to the close proximity of the project to a school. However, the potential impact will be mitigated to a less than significant level by the following measures:

- The developer and contractors shall maintain ongoing contact with administrator of Hoover Street Elementary School. The administrative offices shall be contacted when demolition, grading and construction activity begin on the project site so that students and their parents will know when such activities are to occur. The developer shall obtain school walk and bus routes to the schools from either the administrators or from the LAUSD's Transportation Branch (323)342-1400 and guarantee that safe and convenient pedestrian and bus routes to the school be maintained.
- The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety.
- There shall be no staging or parking of construction vehicles, including vehicles to transport workers on any of the streets adjacent to the school.
- Due to noise impacts on the schools, no construction vehicles or haul trucks shall be staged or idled on these streets during school hours.

Enforcement Agency: Los Angeles Department of building and Safety

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Ongoing, during construction.

Action Indicating Compliance: Issuance of a Certificate of Occupancy

XIV-50 Public Services (Schools affected by Haul Route)

- LADBS shall assign specific haul route hours of operation based upon Hoover Street Elementary School's hours of operation.
- Haul route scheduling shall be sequenced to minimize conflicts with pedestrians, school buses and cars at the arrival and dismissal times of the school day. Haul route trucks shall not be routed past the school during periods when school is in session especially when students are arriving or departing from the campus.

Enforcement Agency: Los Angeles Department of Building and Safety, Los Angeles
Department of Transportation

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Ongoing during construction

Action Indicating Compliance: Issuance of Certificate of Occupancy or Land Use Permit

Transportation and Traffic

XVI-30 Transportation (Haul Route)

- The developer shall install appropriate traffic signs around the site to ensure pedestrian and vehicle safety.
- (*Non-Hillside*): Projects involving the import/export of 20,000 cubic yards or more of dirt shall obtain haul route approval by the Department of Building and Safety.

Enforcement Agency: Los Angeles Department of Building and Safety, Los Angeles
Department of Transportation

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Construction

Monitoring Frequency: Ongoing during construction

Action Indicating Compliance: Issuance of Certificate of Occupancy or Land Use Permit

XVI-40 Safety Hazards

Environmental impacts may result from project implementation due to hazards to safety from design features (e.g., sharp curves or dangerous intersections) or incompatible uses. However, the potential impacts can be mitigated to a less than significant level by the following measure:

- The developer shall install appropriate traffic signs around the site to ensure pedestrian, bicycles, and vehicle safety.
- The applicant shall submit a parking and driveway plan that incorporates design features that reduce accidents, to the Bureau of Engineering and the Department of Transportation for approval.

Enforcement Agency: Los Angeles Department of Building and Safety, Los Angeles Bureau of Engineering, Los Angeles Department of Transportation

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-Construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Issuance of building permit.

XVI-50 Inadequate Emergency Access

Environmental impacts may result from project implementation due to inadequate emergency access. However, these impacts can be mitigated to a less than significant level by the following measure:

- The applicant shall submit a parking and driveway plan to the Bureau of Engineering and the Department of Transportation for approval that provides code-required emergency access.

Enforcement Agency: Los Angeles Department of Building and Safety, Los Angeles Department of Engineering, Los Angeles Department of Transportation

Monitoring Agency: Los Angeles Department of Building and Safety

Monitoring Phase: Pre-Construction

Monitoring Frequency: Once, at plan check

Action Indicating Compliance: Issuance of building permit.

XVI-80 Pedestrian Safety

- Applicant shall plan construction and construction staging as to maintain pedestrian access on adjacent sidewalks throughout all construction phases. This requires the applicant to maintain adequate and safe pedestrian protection, including physical separation (including utilization of barriers such as K-Rails or scaffolding, etc) from work space and vehicular traffic and overhead protection, due to sidewalk closure or blockage, at all times.
- Temporary pedestrian facilities shall be adjacent to the project site and provide safe, accessible routes that replicate as nearly as practical the most desirable characteristics of the existing facility.
- Covered walkways shall be provided where pedestrians are exposed to potential injury from falling objects.
- Applicant shall keep sidewalk open during construction until only when it is absolutely required to close or block sidewalk for construction staging. Sidewalk shall be reopened as soon as reasonably feasible taking construction and construction staging into account.

Enforcement Agency: Los Angeles Department of Building and Safety, LADOT, BOE

Monitoring Agency: Los Angeles Department of Building and Safety, LADOT

Monitoring Phase: Construction

Monitoring Frequency: Ongoing

Action Indicating Compliance: Issuance of Certificate of Occupancy

Mandatory Findings of Significance

XVIII-20 Effects on Human Beings

The project has potential environmental effects which cause substantial adverse effects on human beings, either directly or indirectly. However, these potential impacts will be mitigated to a less than significant level through compliance with the above mitigation measures.

Regulatory Compliance Measures

In addition to the Mitigation Measures required of the project, and any proposed Project Design Features, the applicant shall also adhere to any applicable Regulatory Compliance Measures required by law. Listed below is a list of often required Regulatory Compliance Measures. Please note that requirements are determined on a case by case basis, and these are an example of the most often required Regulatory Compliance Measures.

AESTHETICS

- **Regulatory Compliance Measure RC-AE-1 (Hillside): Compliance with Baseline Hillside Ordinance.** To ensure consistency with the Baseline Hillside Ordinance, the project shall comply with the City's Hillside Development Guidelines, including but not limited to setback requirements, residential floor area maximums, height limits, lot coverage and grading restrictions.
- **Regulatory Compliance Measure RC-AE-2 (LA River): Compliance with provisions of the Los Angeles River Improvement Overlay District.** The project shall comply with development regulations set forth in Section 13.17.F of the Los Angeles Municipal Code as applicable, including but not necessarily limited to, landscaping, screening/fencing, and exterior site lighting.
- **Regulatory Compliance Measure RC-AE-3 (Vandalism): Compliance with provisions of the Los Angeles Building Code.** The project shall comply with all applicable building code requirements, including the following:
 - Every building, structure, or portion thereof, shall be maintained in a safe and sanitary condition and good repair, and free from, debris, rubbish, garbage, trash, overgrown vegetation or other similar material, pursuant to Municipal Code Section 91.8104.
 - The exterior of all buildings and fences shall be free from graffiti when such graffiti is visible from a street or alley, pursuant to Municipal Code Section 91.8104.15.
- **Regulatory Compliance Measure RC-AE-4 (Signage): Compliance with provisions of the Los Angeles Building Code.** The project shall comply with the Los Angeles Municipal Code Section 91.6205, including on-site signage maximums and multiple temporary sign restrictions, as applicable.
- **Regulatory Compliance Measure RC-AE-5 (Signage on Construction Barriers): Compliance with provisions of the Los Angeles Building Code.** The project shall comply with the Los Angeles Municipal Code Section 91.6205, including but not limited to the following provisions:
 - The applicant shall affix or paint a plainly visible sign, on publically accessible portions of the construction barriers, with the following language: "POST NO BILLS".
 - Such language shall appear at intervals of no less than 25 feet along the length of the publically accessible portions of the barrier.

- The applicant shall be responsible for maintaining the visibility of the required signage and for maintaining the construction barrier free and clear of any unauthorized signs within 48 hours of occurrence.

AGRICULTURE and FORESTRY

AIR QUALITY

- **Regulatory Compliance Measure RC-AQ-1(Demolition, Grading and Construction Activities): Compliance with provisions of the SCAQMD District Rule 403.** The project shall comply with all applicable standards of the Southern California Air Quality Management District, including the following provisions of District Rule 403:
 - All unpaved demolition and construction areas shall be wetted at least twice daily during excavation and construction, and temporary dust covers shall be used to reduce dust emissions and meet SCAQMD District Rule 403. Wetting could reduce fugitive dust by as much as 50 percent.
 - The construction area shall be kept sufficiently dampened to control dust caused by grading and hauling, and at all times provide reasonable control of dust caused by wind.
 - All clearing, earth moving, or excavation activities shall be discontinued during periods of high winds (i.e., greater than 15 mph), so as to prevent excessive amounts of dust.
 - All dirt/soil loads shall be secured by trimming, watering or other appropriate means to prevent spillage and dust.
 - All dirt/soil materials transported off-site shall be either sufficiently watered or securely covered to prevent excessive amount of dust.
 - General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions.
 - Trucks having no current hauling activity shall not idle but be turned off.
- **Regulatory Compliance Measure RC-AQ-2:** In accordance with Sections 2485 in Title 13 of the California Code of Regulations, the idling of all diesel-fueled commercial vehicles (weighing over 10,000 pounds) during construction shall be limited to five minutes at any location.
- **Regulatory Compliance Measure RC-AQ-3:** In accordance with Section 93115 in Title 17 of the California Code of Regulations, operation of any stationary, diesel-fueled, compression-ignition engines shall meet specified fuel and fuel additive requirements and emission standards.
- **Regulatory Compliance Measure RC-AQ-4:** The Project shall comply with South Coast Air Quality Management District Rule 1113 limiting the volatile organic compound content of architectural coatings.
- **Regulatory Compliance Measure RC-AQ-5:** The Project shall install odor-reducing equipment in accordance with South Coast Air Quality Management District Rule 1138.

- **Regulatory Compliance Measure RC-AQ-6:** New on-site facility nitrogen oxide emissions shall be minimized through the use of emission control measures (e.g., use of best available control technology for new combustion sources such as boilers and water heaters) as required by South Coast Air Quality Management District Regulation XIII, New Source Review.
- **Regulatory Compliance Measure RC-AQ-7 (Spray Painting): Compliance with provisions of the SCAQMD District Rule 403.** The project shall comply with all applicable rules of the Southern California Air Quality Management District, including the following:
 - All spray painting shall be conducted within an SCAQMD-approved spray paint booth featuring approved ventilation and air filtration system.
 - Prior to the issuance of a building permit, use of land, or change of use to permit spray painting, certification of compliance with SCAQMD air pollution regulations shall be submitted to the Department of Building and Safety.
- **Regulatory Compliance Measure RC-AQ-8 (Wireless Facilities):** If rated higher than 50 brake horsepower (bhp), permit required in accordance with SCAQMD Rule 1470 - Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Initial Engines and SCAQMD Rule 1110.2 - Emissions from Gaseous- and Liquid- Field Engines.

BIOLOGY

- **(Duplicate of WQ Measure) Regulatory Compliance Measure RC-WQ-5 (Alteration of a State or Federal Watercourse):** The project shall comply with the applicable sections of the federal Clean Water Act (CWA) and California's Porter Cologne Water Quality Control Act (Porter Cologne). Prior to the issuance of any grading, use of land, or building permit which may affect an existing watercourse, the applicant shall consult with the following agencies and obtain all necessary permits and/or authorizations, to the satisfaction of the Department of Building and Safety. Compliance shall be determined through written communication from each jurisdictional agency, a copy of which shall be submitted to the Environmental Review case file for reference:
 - *United States Army Corps of Engineers.* The applicant shall obtain a Jurisdictional Determination (preliminary or approved), or a letter otherwise indicating that no permit is required. Contact: Aaron O. Allen, Chief - North Coast Branch, Regulatory Division, 805-585-2148.
 - *State Water Resources Control Board.* The applicant shall consult with the 401 Certification and Wetlands Unit and obtain all necessary permits and/or authorizations, or a letter otherwise indicating that no permit is required. Contact: 401 Certification and Wetlands Unit, Los Angeles Region, 320 W 4th Street, #200, Los Angeles, CA 90013, (213) 576-6600.
 - *California Department of Fish and Wildlife.* The applicant shall consult with the Lake and Streambed Alteration Agreement Program and obtain a Streambed Alteration Agreement, or a letter otherwise indicating that no permit is required. Contact: LSAA Program, 4949 Viewridge Avenue, San Diego, CA 92123, (858) 636-3160.

CULTURAL RESOURCES

- **Regulatory Compliance Measure RC-CR-1 (Designated Historic-Cultural Resource):** Compliance with United States Department of the Interior – National Park Service – Secretary of the Interior’s Standards for the Treatment of Historic Properties. The project shall comply with the Secretary of the Interior’s Standards for Historical Resources, including but not limited to the following measures:
 - Prior to the issuance of any permit, the project shall obtain clearance from the Department of Cultural Affairs for the proposed work.
 - A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.
 - The historic character of a property shall be retained and preserved. The removal of historic material or alteration of features and spaces shall be avoided.
 - Each property shall be recognized as a physical record of its time, place and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other buildings, shall not be undertaken.
 - Most properties change over time; those changes that have acquired significance in their own right shall be retained and preserved.
- **Regulatory Compliance Measure RC-CR-2 (Archaeological):** If archaeological resources are discovered during excavation, grading, or construction activities, work shall cease in the area of the find until a qualified archaeologist has evaluated the find in accordance with federal, State, and local guidelines, including those set forth in California Public Resources Code Section 21083.2. Personnel of the proposed Modified Project shall not collect or move any archaeological materials and associated materials. Construction activity may continue unimpeded on other portions of the Project site. The found deposits would be treated in accordance with federal, State, and local guidelines, including those set forth in California Public Resources Code Section 21083.2.
 - Distinctive features, finishes and construction techniques or examples of skilled craftsmanship which characterize an historic property shall be preserved.
 - Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive historic feature, the new feature shall match the old in design, color, texture, and other visual qualities, and where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.
 - Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible.
 - Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken.
 - New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated

from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.

- New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.
- **Regulatory Compliance Measure RC-CR-3 (Paleontological):** If paleontological resources are discovered during excavation, grading, or construction, the City of Los Angeles Department of Building and Safety shall be notified immediately, and all work shall cease in the area of the find until a qualified paleontologist evaluates the find. Construction activity may continue unimpeded on other portions of the Project site. The paleontologist shall determine the location, the time frame, and the extent to which any monitoring of earthmoving activities shall be required. The found deposits would be treated in accordance with federal, State, and local guidelines, including those set forth in California Public Resources Code Section 21083.2.
- **Regulatory Compliance Measure CR-4 (Human Remains):** If human remains are encountered unexpectedly during construction demolition and/or grading activities, State Health and Safety Code Section 7050.5 requires that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to California Public Resources Code (PRC) Section 5097.98. In the event that human remains are discovered during excavation activities, the following procedure shall be observed:
 - Stop immediately and contact the County Coroner:
1104 N. Mission Road
Los Angeles, CA 90033
323-343-0512 (8 a.m. to 5 p.m. Monday through Friday) or
323-343-0714 (After Hours, Saturday, Sunday, and Holidays)

If the remains are determined to be of Native American descent, the Coroner has 24 hours to notify the Native American Heritage Commission (NAHC).

The NAHC will immediately notify the person it believes to be the most likely descendent of the deceased Native American.

- The most likely descendent has 48 hours to make recommendations to the owner, or representative, for the treatment or disposition, with proper dignity, of the human remains and grave goods.
- If the owner does not accept the descendant's recommendations, the owner or the descendent may request mediation by the NAHC.

GEOLOGY AND SOILS

- **Regulatory Compliance Measure RC-GEO-1 (Seismic):** The design and construction of the project shall conform to the California Building Code seismic standards as approved by the Department of Building and Safety.

- **Regulatory Compliance Measure RC-GEO-2 (Hillside Grading Area):** The grading plan shall conform with the City's Landform Grading Manual guidelines, subject to approval by the Advisory Agency and the Department of Building and Safety's Grading Division. Appropriate erosion control and drainage devices shall be provided to the satisfaction of the Building and Safety Department. These measures include interceptor terraces, berms, vee-channels, and inlet and outlet structures, as specified by Section 91.7013 of the Building Code, including planting fast-growing annual and perennial grasses in areas where construction is not immediately planned.
- **Regulatory Compliance Measure RC-GEO-3 (Landslide Area):** Prior to the issuance of grading or building permits, the applicant shall submit a geotechnical report, prepared by a registered civil engineer or certified engineering geologist, to the Department of Building and Safety, for review and approval. The geotechnical report shall assess potential consequences of any landslide and soil displacement, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration. Building design considerations shall include, but are not limited to:
 - ground stabilization
 - selection of appropriate foundation type and depths
 - selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures

The project shall comply with the conditions contained within the Department of Building and Safety's Geology and Soils Report Approval Letter for the proposed project, and as it may be subsequently amended or modified.

- **Regulatory Compliance Measure RC-GEO-4 (Liquefaction Area):** The project shall comply with the Uniform Building Code Chapter 18. Division 1 Section 1804.5 Liquefaction Potential and Soil Strength Loss. Prior to the issuance of grading or building permits, the applicant shall submit a geotechnical report, prepared by a registered civil engineer or certified engineering geologist, to the Department of Building and Safety, for review and approval. The geotechnical report shall assess potential consequences of any liquefaction and soil strength loss, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration. Building design considerations shall include, but are not limited to:
 - ground stabilization
 - selection of appropriate foundation type and depths
 - selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures.

The project shall comply with the conditions contained within the Department of Building and Safety's Geology and Soils Report Approval Letter for the proposed project, and as it may be subsequently amended or modified.

- **Regulatory Compliance Measure RC-GEO-5 (Subsidence Area):** Prior to the issuance of building or grading permits, the applicant shall submit a geotechnical report prepared by a registered civil engineer or certified engineering geologist to the written satisfaction of the Department of Building and Safety. The geotechnical report shall assess potential consequences of any subsidence and soil strength loss, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration. Building design considerations shall include,

but are not limited to: ground stabilization, selection of appropriate foundation type and depths, selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures. The project shall comply with the conditions contained within the Department of Building and Safety's Geology and Soils Report Approval Letter for the proposed project, and as it may be subsequently amended or modified.

- **Regulatory Compliance Measure RC-GEO-6 (Expansive Soils Area):** Prior to the issuance of grading or building permits, the applicant shall submit a geotechnical report, prepared by a registered civil engineer or certified engineering geologist, to the Department of Building and Safety, for review and approval. The geotechnical report shall assess potential consequences of any soil expansion and soil strength loss, estimation of settlement, lateral movement or reduction in foundation soil-bearing capacity, and discuss mitigation measures that may include building design consideration. Building design considerations shall include, but are not limited to: ground stabilization, selection of appropriate foundation type and depths, selection of appropriate structural systems to accommodate anticipated displacements or any combination of these measures. The project shall comply with the conditions contained within the Department of Building and Safety's Geology and Soils Report Approval Letter for the proposed project, and as it may be subsequently amended or modified.
- **Regulatory Compliance Measure RC-GHG-1 (Green Building Code):** In accordance with the City of Los Angeles Green Building Code (Chapter IX, Article 9, of the Los Angeles Municipal Code), the Project shall comply with all applicable mandatory provisions of the 2013 Los Angeles Green Code and as it may be subsequently amended or modified.

HAZARDS AND HAZARDOUS MATERIALS

- **Regulatory Compliance Measure RC-HAZ-1: Explosion/Release (Existing Toxic/Hazardous Construction Materials)**
 - **(Asbestos)** Prior to the issuance of any permit for the demolition or alteration of the existing structure(s), the applicant shall provide a letter to the Department of Building and Safety from a qualified asbestos abatement consultant indicating that no Asbestos-Containing Materials (ACM) are present in the building. If ACMs are found to be present, it will need to be abated in compliance with the South Coast Air Quality Management District's Rule 1403 as well as all other applicable State and Federal rules and regulations.
 - **(Lead Paint)** Prior to issuance of any permit for the demolition or alteration of the existing structure(s), a lead-based paint survey shall be performed to the written satisfaction of the Department of Building and Safety. Should lead-based paint materials be identified, standard handling and disposal practices shall be implemented pursuant to OSHA regulations.
 - **(Polychlorinated Biphenyl – Commercial and Industrial Buildings)** Prior to issuance of a demolition permit, a polychlorinated biphenyl (PCB) abatement contractor shall conduct a survey of the project site to identify and assist with compliance with applicable state and federal rules and regulation governing PCB removal and disposal.

- **Regulatory Compliance Measure RC-HAZ-2: Explosion/Release (Methane Zone):** As the Project Site is within a methane zone, prior to the issuance of a building permit, the Site shall be independently analyzed by a qualified engineer, as defined in Ordinance No. 175,790 and Section 91.7102 of the LAMC, hired by the Project Applicant. The engineer shall investigate and design a methane mitigation system in compliance with the LADBS Methane Mitigation Standards for the appropriate Site Design Level which will prevent or retard potential methane gas seepage into the building. The Applicant shall implement the engineer's design recommendations subject to DOGGR, LADBS and LAFD plan review and approval.
- **Regulatory Compliance Measure RC-HAZ-3: Explosion/Release (Soil Gases):** During subsurface excavation activities, including borings, trenching and grading, OSHA worker safety measures shall be implemented as required to preclude any exposure of workers to unsafe levels of soil-gases, including, but not limited to, methane.
- **Regulatory Compliance Measure RC-HAZ-4 Listed Sites (Removal of Underground Storage Tanks):** Underground Storage Tanks shall be decommissioned or removed as determined by the Los Angeles City Fire Department Underground Storage Tank Division. If any contamination is found, further remediation measures shall be developed with the assistance of the Los Angeles City Fire Department and other appropriate State agencies. Prior to issuance of a use of land or building permit, a letter certifying that remediation is complete from the appropriate agency (Department of Toxic Substance Control or the Regional Water Quality Control Board) shall be submitted to the decision maker.
- **Regulatory Compliance Measure RC-HAZ-5 (Hazardous Materials Site):** Prior to the issuance of any use of land, grading, or building permit, the applicant shall obtain a sign-off from the Fire Department indicating that all on-site hazardous materials, including contamination of the soil and groundwater, have been suitably remediated, or that the proposed project will not impede proposed or on-going remediation measures.

HYDROLOGY AND WATER QUALITY

- **Regulatory Compliance Measure RC-WQ-1: National Pollutant Discharge Elimination System General Permit.** Prior to issuance of a grading permit, the Applicant shall obtain coverage under the State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Order No. 2009-0009-DWQ, National Pollutant Discharge Elimination System No. CAS000002) (Construction General Permit) for Phase 1 of the proposed Modified Project. The Applicant shall provide the Waste Discharge Identification Number to the City of Los Angeles to demonstrate proof of coverage under the Construction General Permit. A Storm Water Pollution Prevention Plan shall be prepared and implemented for the proposed Modified Project in compliance with the requirements of the Construction General Permit. The Storm Water Pollution Prevention Plan shall identify construction Best Management Practices to be implemented to ensure that the potential for soil erosion and sedimentation is minimized and to control the discharge of pollutants in stormwater runoff as a result of construction activities.

- **Regulatory Compliance Measure RC-WQ-2: Dewatering.** If required, any dewatering activities during construction shall comply with the requirements of the Waste Discharge Requirements for Discharges of Groundwater from Construction and Project Dewatering to Surface Waters in Coastal Watersheds of Los Angeles and Ventura Counties (Order No. R4-2008-0032, National Pollutant Discharge Elimination System No. CAG994004) or subsequent permit. This will include submission of a Notice of Intent for coverage under the permit to the Los Angeles Regional Water Quality Control Board at least 45 days prior to the start of dewatering and compliance with all applicable provisions in the permit, including water sampling, analysis, and reporting of dewatering-related discharges.
- **Regulatory Compliance Measure RC-WQ-3: Low Impact Development Plan.** Prior to issuance of grading permits, the Applicant shall submit a Low Impact Development Plan and/or Standard Urban Stormwater Mitigation Plan to the City of Los Angeles Bureau of Sanitation Watershed Protection Division for review and approval. The Low Impact Development Plan and/or Standard Urban Stormwater Mitigation Plan shall be prepared consistent with the requirements of the Development Best Management Practices Handbook.
- **Regulatory Compliance Measure RC-WQ-4: Development Best Management Practices.** The Best Management Practices shall be designed to retain or treat the runoff from a storm event producing 0.75 inch of rainfall in a 24-hour period, in accordance with the Development Best Management Practices Handbook Part B Planning Activities. A signed certificate from a licensed civil engineer or licensed architect confirming that the proposed Best Management Practices meet this numerical threshold standard shall be provided.
- **Regulatory Compliance Measure RC-WQ-5 (Alteration of a State or Federal Watercourse):** The project shall comply with the applicable sections of the federal Clean Water Act (CWA) and California's Porter Cologne Water Quality Control Act (Porter Cologne). Prior to the issuance of any grading, use of land, or building permit which may affect an existing watercourse, the applicant shall consult with the following agencies and obtain all necessary permits and/or authorizations, to the satisfaction of the Department of Building and Safety. Compliance shall be determined through written communication from each jurisdictional agency, a copy of which shall be submitted to the Environmental Review case file for reference:
 - *United States Army Corps of Engineers.* The applicant shall obtain a Jurisdictional Determination (preliminary or approved), or a letter otherwise indicating that no permit is required. Contact: Aaron O. Allen, Chief - North Coast Branch, Regulatory Division, 805-585-2148.
 - *State Water Resources Control Board.* The applicant shall consult with the 401 Certification and Wetlands Unit and obtain all necessary permits and/or authorizations, or a letter otherwise indicating that no permit is required. Contact: 401 Certification and Wetlands Unit, Los Angeles Region, 320 W 4th Street, #200, Los Angeles, CA 90013, (213) 576-6600.
 - *California Department of Fish and Wildlife.* The applicant shall consult with the Lake and Streambed Alteration Agreement Program and obtain a Streambed Alteration Agreement, or a letter otherwise indicating that no permit is required. Contact: LSAA Program, 4949 Viewridge Avenue, San Diego, CA 92123, (858) 636-3160.

- **Regulatory Compliance Measure RC-WQ-6 (Flooding/Tidal Waves):** The project shall comply with the requirements of the Flood Hazard Management Specific Plan, Ordinance No. 172081 effective 7/3/98.

LAND USE AND PLANNING

- **Regulatory Compliance Measure RC-LU-1 (Slope Density):** The project shall not exceed the maximum density permitted in Hillside Areas, as calculated by the formula set forth in Los Angeles Municipal Code Section 17.05-C (for tracts) or 17.50-E (for parcel maps).

MINERAL RESOURCES

NOISE

- **Regulatory Compliance Measure RC-NO-1 (Demolition, Grading, and Construction Activities):** The project shall comply with the City of Los Angeles Noise Ordinance and any subsequent ordinances, which prohibit the emission or creation of noise beyond certain levels at adjacent uses unless technically infeasible.

POPULATION AND HOUSING

- **New Regulatory Compliance Measure RC-PH-1 (Tenant Displacement):**
 - **Apartment Converted to Condominium** - Prior to final map recordation, and pursuant to the provisions of Section 12.95.2-G and 47.06 of the Los Angeles Municipal Code (LAMC), a tenant relocation plan shall be submitted to the Los Angeles Housing Department for review and approval.
 - **Apartment Demolition** - Prior to the issuance of a demolition permit, and pursuant to the provisions of Section 47.07 of the Los Angeles Municipal Code, a tenant relocation plan shall be submitted to the Los Angeles Housing Department for review and approval.
 - **Mobile Home Park Closure or Conversion to Different Use** Prior to the issuance of any permit or recordation, and pursuant to the provisions of Section 47.08 and 47.09 of the Los Angeles Municipal Code, a tenant relocation plan and mobile home park closure impact report shall be submitted to the Los Angeles Housing Department for review and approval.

PUBLIC SERVICES

Schools

- **Regulatory Compliance Measure RC-PS-1 (Payment of School Development Fee)** Prior to issuance of a building permit, the General Manager of the City of Los Angeles, Department of Building and Safety, or designee, shall ensure that the Applicant has paid all applicable school facility development fees in accordance with California Government Code Section 65995.

Parks

- **Regulatory Compliance Measure RC-PS-2 (Increased Demand For Parks Or Recreational Facilities):**
 - (*Subdivision*) Pursuant to Section 17.12-A or 17.58 of the Los Angeles Municipal Code, the applicant shall pay the applicable Quimby fees for the construction of dwelling units.
 - (*Apartments*) Pursuant to Section 21.10 of the Los Angeles Municipal Code, the applicant shall pay the Dwelling Unit Construction Tax for construction of apartment buildings.
- **Regulatory Compliance Measure RC-PS-3 (Increase Demand For Parks Or Recreational Facilities – Zone Change)** Pursuant to Section 12.33 of the Los Angeles Municipal Code, the applicant shall pay the applicable fees for the construction of dwelling units.

RECREATION

See RC measures above under Parks.

TRANSPORTATION AND TRAFFIC

- **Regulatory Compliance Measure RC-TT-1 (Increased Vehicle Trips/Congestion - West Side Traffic Fee)** Prior to issuance of a Building Permit, the applicant shall pay a traffic impact fee to the City, based on the requirements of the West Los Angeles Traffic Improvement and Mitigation Specific Plan (WLA TIMP).

PUBLIC UTILITIES AND SERVICE SYSTEMS

Water Supply

- **Regulatory Compliance Measure RC-WS-1 (Fire Water Flow)** The Project Applicant shall consult with the LADBS and LAFD to determine fire flow requirements for the Proposed Project, and will contact a Water Service Representative at the LADWP to order a SAR. This system hydraulic analysis will determine if existing LADWP water supply facilities can provide the proposed fire flow requirements of the Project. If water main or infrastructure upgrades are required, the Applicant would pay for such upgrades, which would be constructed by either the Applicant or LADWP.
- **Regulatory Compliance Measure RC-WS-2 (Green Building Code):** The Project shall implement all applicable mandatory measures within the LA Green Building Code that would have the effect of reducing the Project's water use.
- **Regulatory Compliance Measure RC-WS-3 (New Carwash):** The applicant shall incorporate a water recycling system to the satisfaction of the Department of Building and Safety.
- **Regulatory Compliance Measure RC-WS-4 (Landscape)** The Project shall comply with Ordinance No. 170,978 (Water Management Ordinance), which imposes numerous water conservation measures in landscape, installation, and maintenance (e.g., use drip irrigation

and soak hoses in lieu of sprinklers to lower the amount of water lost to evaporation and overspray, set automatic sprinkler systems to irrigate during the early morning or evening hours to minimize water loss due to evaporation, and water less in the cooler months and during the rainy season).

Energy

- **Regulatory Compliance Measure RC-EN-1 (Green Building Code):** The Project shall implement all applicable mandatory measures within the LA Green Building Code that would have the effect of reducing the Project's energy use.

Solid Waste

- **Regulatory Compliance Measure RC-SW-1 (Designated Recycling Area)** In compliance with Los Angeles Municipal Code, the proposed Modified Project shall provide readily accessible areas that serve the entire building and are identified for the depositing, storage, and collection of nonhazardous materials for recycling, including (at a minimum) paper, corrugated cardboard, glass, plastics, and metals.
- **Regulatory Compliance Measure RC-SW-2 (Construction Waste Recycling)** In order to meet the diversion goals of the California Integrated Waste Management Act and the City of Los Angeles, which will total 70 percent by 2013, the Applicant shall salvage and recycle construction and demolition materials to ensure that a minimum of 70 percent of construction-related solid waste that can be recycled is diverted from the waste stream to be landfilled. Solid waste diversion would be accomplished through the on-site separation of materials and/or by contracting with a solid waste disposal facility that can guarantee a minimum diversion rate of 70 percent. In compliance with the Los Angeles Municipal Code, the General Contractor shall utilize solid waste haulers, contractors, and recyclers who have obtained an Assembly Bill (AB) 939 Compliance Permit from the City of Los Angeles Bureau of Sanitation.
- **Regulatory Compliance Measure RC-SW-3 (Commercial/Multifamily Mandatory Recycling)** In compliance with AB341, recycling bins shall be provided at appropriate locations to promote recycling of paper, metal, glass and other recyclable material. These bins shall be emptied and recycled accordingly as a part of the Proposed Project's regular solid waste disposal program. The Project Applicant shall only contract for waste disposal services with a company that recycles solid waste in compliance with AB341.



EXHIBIT D

PRO FORMA & THIRD PARTY REVIEW
CPC-2015-1703-DB-SPR

700 South Flower Street, Suite 2730, Los Angeles, CA 90017
T: 310-581-0900 | F: 310-581-0910 | www.hraadvisors.com

August 17, 2015

Christopher Pak
Principal
Archeon Group
Suite 615
3530 Wilshire Blvd.
Los Angeles, CA 90010

Re: Updated 2972 7th Street Project Financial Feasibility Analysis

Dear Christopher:

Per your request, HR&A Advisors, Inc. (HR&A) has prepared financial feasibility analyses of three development programs you provided to us for a multi-family/retail development proposed by your company on a site at 2972 7th Street in the Koreatown neighborhood of the City of Los Angeles ("City"). As we understand it, a density bonus is being requested from the City, including the use of two "off-menu" incentives for increased Floor Area Ratio (FAR) and Community Plan Map Relief. Based on the analysis summarized below, and supported by the calculation detail in Attachment A to this letter, we conclude that:

- **The development scenario with 118 market rate units, 15 affordable units and a 1.50 FAR, without a density bonus or other incentives would not be financially feasible.** This is because: (1) the return on total development cost falls below a minimum threshold for return on total development cost that we believe would be required to attract investment capital to the project (i.e., 4.7% vs. 5.5%); and (2) it yields a negative developer profit margin;
- **The development scenario with 165 market rate units, 15 affordable units, on-menu parking incentives and a 50% density bonus that achieves a 2.025 FAR also would not be financially feasible.** This is because the return on total development cost again falls below the minimum threshold (i.e., 5.2% vs. 5.5%) and so does the minimum acceptable profit margin (i.e., 8.8% vs. 12.5%). **An alternate formulation of this development scenario with 100 larger units more reflective of the Koreatown market, 15 affordable units, on-menu parking incentives and a 50% density bonus also would not be financially feasible.** This is because the return on total development cost again falls below the minimum threshold (i.e., 4.8% vs. 5.5%) and so does the minimum acceptable profit margin (i.e., 2.2% vs. 12.5%);
- **Only the development scenario with 165 market rate units, 15 affordable units, parking incentives, an off-menu density bonus that achieves a 3.0 FAR and an off-menu Community Plan Map Relief would be financially feasible.** This is because it would produce a return on total development cost greater than the minimum threshold (i.e., 5.9% vs. 5.5%) and a developer profit margin that is greater than the minimum acceptable threshold (i.e., 19.7% vs. 12.5%).

The basis for the above conclusions is summarized below. Sources and notes for the assumptions used in these analyses are included with more detailed pro formas in Attachment A to this letter.

The 1.50 FAR Development Scenario

As shown in Table 1, for the 1.50 FAR development scenario without a density bonus, development costs total about \$35.1 million and Net Operating Income (NOI) totals about \$1.7 million. The resulting return on total development cost (i.e., NOI divided by total development cost) is 4.7 percent as compared with a minimum threshold of 5.5 percent. The minimum threshold was set at one percentage point more than the applicable income capitalization (or "cap") rate (i.e., 4.5%) for new development at this location, based on HR&A's analysis of recent project sales. After using that cap rate to estimate the value of this development at stabilized operation, and then deducting costs of sale and total development costs, the ratio of the resulting developer profit margin was compared with the net after-sale value, which produced a loss of approximately \$465,000 and a profit margin of -1.3 percent, as compared with a minimum threshold of 12.5 percent that is typical for this type and scale of development. Therefore, this development scenario is not financially feasible.

Table 1: 1.50 FAR Development Scenario

	Per Unit	Total
<u>Development Program</u>		
Land Area (sf)	387	52,796
Gross Building Area (GSF)	595	79,194
FAR (based on GSF)		1.5
Rentable Area - Residential (NSF)	433	57,594
Rentable Area - Commercial (NSF) - 1 Space		6,000
Building Efficiency		80.3%
<u>Apartments</u>		
Market Rate		
Affordable		15
Total Units		133
Subterranean Parking (24 spaces plus bicycle parking)		62
Levels		1
Structured Parking		74
Residential & Commercial Spaces		57
Total Residential Parking		119
<u>Development Costs</u>		
		Total
Land Acquisition	\$	12,000,000
Hard Construction	\$	17,687,507
Soft Costs	\$	3,097,082
Financing Costs	\$	2,738,169
Total Development Cost (TDC)	\$	35,522,759
<u>Net Operating Income</u>		
	Per	Annual
Net Apartment Income	\$ 2.29	\$ 1,461,665
Net Commercial Income	\$ 3.71	\$ 198,044
Net Operating Income (NOI)	\$ 1.75	\$ 1,660,709
<u>Feasibility</u>		
Return on Cost (NOI / TDC)		4.7%
Feasible?		NO
(Minimum = Cap Rate + 1.00% = 5.8%)		
<u>Developer Profit Margin</u>		
Net Project Sale Value	\$	35,059,405
Less: Total Development Cost (from above)	\$	(35,522,759)
Developer Profit	\$	(463,353)
Developer Profit Margin		-1.3%
Feasible?		NO
(Minimum = 12.5%)		

The 2.025 FAR Development Scenario with On-Menu Density Bonus and Parking Incentives

As shown in Table 2, for the 2.025 FAR development scenario with on-menu density bonus and parking incentives, development costs total about \$44.0 million and Net Operating Income totals about \$2.0 million. The resulting return on total development cost is 5.2 percent, as compared with a minimum threshold of 5.5 percent and the ratio of developer profit to net after-sale value produces a profit margin of 8.8 percent, as compared with a minimum threshold of 12.5 percent. Therefore this development scenario is not financially feasible. This scenario, as well as the 1.50 FAR baseline scenario are included for informational purposes, as the units are smaller than would be acceptable in the Koreatown market. An alternate 2.025 FAR scenario, as described on the following page, demonstrates that including larger unit sizes that would be more acceptable in the Koreatown market does not improve the feasibility of this 2.025 FAR Development Scenario.

Table 2: 2.025 FAR Development Scenario, with
On-Menu Density Bonus and Parking Incentives

<u>Development Program</u>	<u>Per Unit</u>	<u>Total</u>
Land Area (sf)	293	52,796
Gross Building Area (GSF)	594	106,911
FAR (based on GSF)		2.025
Rentable Area - Residential (NSF)	428	77,111
Rentable Area - Commercial (NSF) - 1 Space		9,000
Building Efficiency		80.5%
Apartments		
Market Rate		165
Affordable		15
Total Units		180
Subterranean Parking (24 spaces plus bicycle parking)		115
Levels		1
Structured Parking		64
Residential & Commercial Spaces		38
Total Residential Parking		157
 <u>Development Costs</u>		 <u>Total</u>
Land Acquisition	\$	12,000,000
Hard Construction	\$	24,306,522
Soft Costs	\$	4,256,072
Financing Costs	\$	3,387,788
Total Development Cost (TDC)	\$	43,950,382
 <u>Net Operating Income</u>	 <u>Per NSF/Unit/Mo.</u>	 <u>Annual</u>
Net Apartment Income	\$ 2.32	\$ 1,985,415
Net Commercial Income	\$ 3.71	\$ 298,566
 Net Operating Income (NOI)	 \$ 1.78	 \$ 2,283,981
 <u>Feasibility</u>		
Return on Cost (NOI / TDC)		5.2%
Feasible?		NO
(Minimum = Cap Rate + 1.00% = 5.8%)		
 <u>Developer Profit Margin</u>		
Net Project Sale Value	\$	48,217,381
Less: Total Development Cost (from above)	\$	(43,950,382)
Developer Profit	\$	4,266,999
Developer Profit Margin		8.8%
Feasible?		NO
(Minimum = 12.5%)		

As shown in Table 3, for the alternate 2.025 FAR development scenario with on-menu density bonus and parking incentives and 100 larger units that are more reflective of the Koreatown market, development costs total about \$38.5 million and Net Operating Income totals about \$1.9 million. The resulting return on total development cost is 4.8 percent, as compared with a minimum threshold of 5.5 percent and the ratio of developer profit to net after-sale value produces a profit margin of 2.2 percent, as compared with a minimum threshold of 12.5 percent. Therefore this development scenario is not financially feasible.

**Table 3: 2.025 FAR Development Scenario, with
On-Menu Density Bonus and Parking Incentives and Larger Unit Sizes**

	<u>Per Unit</u>	<u>Total</u>
<u>Development Program</u>		
Land Area (sf)	459	52,796
Gross Building Area (GSF)	930	106,911
FAR (based on GSF)		2.025
Rentable Area - Residential (NSF)	671	77,111
Rentable Area - Commercial (NSF) - 1 Space		9,000
Building Efficiency		80.5%
Apartments		
Market Rate		165
Affordable		15
Total Units		115
Subterranean Parking (24 spaces plus bicycle parking)		115
Levels		1
Structured Parking		54
Residential & Commercial Spaces		28
Total Residential Parking		103
<u>Development Costs</u>		
		<u>Total</u>
Land Acquisition	\$	12,000,000
Hard Construction	\$	20,017,267
Soft Costs	\$	3,505,024
Financing Costs	\$	2,966,822
Total Development Cost (TDC)	\$	38,489,113
<u>Net Operating Income</u>		
	<u>Per</u>	<u>Annual</u>
	<u>NSF/Unit/Mo.</u>	
Net Apartment Income	\$ 1.83	\$ 1,565,289
Net Commercial Income	\$ 3.71	\$ 298,566
Net Operating Income (NOI)	\$ 1.45	\$ 1,863,855
<u>Feasibility</u>		
Return on Cost (NOI / TDC)		4.8%
Feasible?		NO
(Minimum = Cap Rate + 1.00% = 5.8%)		
<u>Developer Profit Margin</u>		
Net Project Sale Value	\$	39,348,047
Less: Total Development Cost (from above)	\$	(38,489,113)
Developer Profit	\$	858,935
Developer Profit Margin		2.2%
Feasible?		NO
(Minimum = 12.5%)		

The 3.0 FAR Development Scenario with On-Menu Parking Incentives and Off-Menu Density Bonus and Community Plan Map Relief

As shown in Table 4, for the 3.0 FAR development scenario with on-menu density bonus and parking incentives and off-menu height incentives, development costs total about \$51.4 million and Net Operating Income totals about \$3.0 million. The resulting return on total development cost of 5.9 percent exceeds the minimum threshold of 5.5 percent and the ratio of developer profit to net after-sale value produces a profit margin of 19.7 percent, which is greater than the minimum threshold of 12.5 percent. Therefore, this development scenario is financially feasible.

Table 4: 3.0 FAR Development Scenario, with On-Menu Parking Incentives and Off-Menu Density Bonus and Community Plan Map Relief

<u>Development Program</u>	<u>Per Unit</u>	<u>Total</u>
Land Area (sf)	293	52,796
Gross Building Area (GSF)	880	158,388
FAR (based on GSF)		3.000
Rentable Area - Residential (NSF)	428	122,588
Rentable Area - Commercial (NSF) - 1 Space		15,000
Building Efficiency		86.9%
Apartments		
Market Rate		165
Affordable		15
Total Units		180
Subterranean Parking (24 spaces plus bicycle parking)		115
Levels		1
Structured Parking		70
Residential & Commercial Spaces		43
Total Residential Parking		170
<u>Development Costs</u>		<u>Total</u>
Land Acquisition	\$	12,000,000
Hard Construction	\$	30,160,422
Soft Costs	\$	5,281,090
Financing Costs	\$	3,962,315
Total Development Cost (TDC)	\$	51,403,826
<u>Net Operating Income</u>	<u>Per NSF/Unit/Mo.</u>	<u>Annual</u>
Net Apartment Income	\$ 1.86	\$ 2,536,252
Net Commercial Income	\$ 2.76	\$ 497,610
 Net Operating Income (NOI)	 \$ 2.36	 \$ 3,033,862
<u>Feasibility</u>		
Return on Cost (NOI / TDC)		5.9%
Feasible?		YES
(Minimum = Cap Rate + 1.00% = 5.5%)		
<i>Developer Profit Margin</i>		
Net Project Sale Value	\$	64,048,206
Less: Total Development Cost (from above)	\$	(51,403,826)
Developer Profit	\$	12,644,379
Developer Profit Margin		19.7%
Feasible?		YES
(Minimum = 12.5%)		

Christopher Pak
Archeon Group
August 17, 2015

The details of our analysis of project feasibility under all three of these development scenarios are included in Attachment A to this memo. Archeon Group provided us the basic development program for all three scenarios, the land acquisition cost (which we verified by reviewing a Purchase & Sale Agreement, dated May 1, 2014), and its own assessment of development costs and net operating income. We used the development programs and land cost, but applied our own independent calculations of development costs, net operating income and investment returns. In doing so, we relied on generally accepted third party data sources (sources for all assumptions are included in Attachment A) and our own expertise. HR&A is a national economic development, real estate advisory and public policy consulting firm. We have extensive experience analyzing the financial feasibility of many different kinds of development products and planning initiatives, including extensive experience in the Los Angeles metro area. Our clients include a wide range of private and public sector organizations. More information about HR&A is available at our Web site: www.hraadvisors.com.

Please contact me if you or the City of Los Angeles Department of City Planning has any questions about our analysis and conclusions.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul J. Silvern". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Paul J. Silvern
Vice President

Attachment A: 2972 7th Street Financial Feasibility Analysis Without and With Proposed Density Bonus

Attachment A
2972 7th Street
Financial Feasibility, Without Density Bonus, 1.50 FAR Development Scenario

	<u>Without Density Bonus</u>	
	<u>Per Unit</u>	<u>Total</u>
Development Program¹		
Land Area (sf)	397	52,796
Gross Building Area (GSF)	595	79,194
FAR (based on GSF)		1.5
Rentable Area - Residential (NSF)	433	57,594
Rentable Area - Commercial (NSF) - 1 Space		6,000
Building Efficiency		80.3%
Apartments		
Market Rate		118
Affordable		15
Total Units		133
Subterranean Parking		62
Levels		1
At Grade Parking		74
Residential Spaces		57
Commercial Spaces		17
Total Residential Parking	0.89	119

	<u>Number</u>	<u>Net Rentable SF</u>	<u>Mo. Rent/NRSF</u>	<u>Mo. Rent</u>	<u>Total Mo. Rent</u>
Unit Mix¹					
Market Rate ⁵					
Studio	46	360	\$4.00	\$1,440	\$ 66,240
1 Bedroom	66	450	\$3.70	\$1,665	\$ 109,890
2 Bedroom	6	700	\$3.00	\$2,100	\$ 12,600
	118				\$ 188,730

Affordable⁶					
Studio	4	360	\$1.28	\$459	\$ 1,836
1 Bedroom	4	450	\$1.14	\$515	\$ 2,060
2 Bedroom	7	700	\$0.82	\$571	\$ 3,997
	15				\$ 7,893

	<u>Per Land SF</u>	<u>Per Unit</u>	<u>Total</u>
Land			
Land Acquisition ²	\$ 227.29	\$ 90,226	\$ 12,000,000
Subtotal Land	\$ 227.29	\$ 90,226	\$ 12,000,000

	<u>Per Bldg. GSF</u>	<u>Per Unit/Space</u>	<u>Total</u>
Construction			
Hard Construction-Buildings ¹	\$ 169	\$ 100,773	\$ 13,402,823
Hard Construction-At Grade Parking (per space) ³		\$17,170	\$ 1,270,580
Hard Construction-Subt. Parking (per space) ³		\$30,191	\$ 1,871,842
Tenant Improvements Allowance (x Retail NSF) ⁴	\$50	\$ 4	\$ 300,000
Hard Cost Contingency (x Subtotal) ³	5%	\$ 11	\$ 6,333
Subtotal Construction ¹	\$ 223	\$ 132,989	\$ 17,687,507

Soft Costs⁴							
Design, Engineering & Consulting Services (x Hard Costs)	6.0%	\$	13.40	\$	7,979	\$	1,081,250
Permits & Fees (x Hard Costs)	4.0%	\$	8.93	\$	5,320	\$	707,500
Taxes, Insurance, Legal & Accounting (x Hard Costs)	3.0%	\$	6.70	\$	3,990	\$	530,625
Development Management (x Hard Costs)	4.0%	\$	8.93	\$	5,320	\$	707,500
Soft Cost Contingency (x Subtotal) ³	3.0%	\$	1.14	\$	678	\$	90,206
Subtotal Soft Costs	20.0%	\$	39.11	\$	23,286	\$	3,097,082

	<u>Per GSF</u>	<u>Per Unit</u>	<u>Total</u>
Construction Financing Costs⁴			
Land + Hard Costs + Soft Costs	\$ 32,784,590		
Loan to Cost Ratio	80%		
Construction Loan Principal	\$ 26,227,672		
Loan Fees (%)	2.5%	\$ 8.28	\$ 4,930
Interest Rate	6.60%		
Outstanding Principal Balance	60%		
Term (years)	2		
Construction Period (months)	18		
Construction Loan Interest	\$ 19.67	\$ 11,714	\$ 1,557,924
Permanent Loan Points	2.0%	\$ 6.62	\$ 3,944
Subtotal Construction Loan	\$ 34.58	\$ 20,588	\$ 2,738,169
Total Development Cost (TDC)	\$ 448.55	\$ 267,088	\$ 35,522,759

	Per Unit/Mo.	Per NSF/Unit/Mo.	Annual
Net Operating Income			
Gross Apartment Rental Income			
Market Rate Apartments ⁵	\$ 1,599	\$ 3.74	\$ 2,264,760
Affordable Apartments (Very Low-Income) ⁶	\$ 526	\$ 1.22	\$ 94,716
Miscellaneous Revenue ⁴	\$ 25	\$ 0.06	\$ 39,900
Gross Income	\$ 1,503	\$ 3.47	\$ 2,399,376
Less: Vacancy Allowance ⁴	5.0% \$ (85)	\$ (0.00)	\$ (119,969)
Effective Gross Income (EGI)	\$ 1,419	\$ 3.47	\$ 2,279,407
Less: Annual Operating Expenses (x EGI) ¹	35.0% \$ (500)	\$ (1.15)	\$ (797,793)
Less: Replacement Reserve (per unit/year) ⁴	\$150 \$ (13)	\$ (0.03)	\$ (19,950)
Net Apartment Income	\$ 906	\$ 2.29	\$ 1,461,665
Gross Retail Rental Income (NNN) ⁵		Per NSF//Mo \$ 3.00	\$ 216,000
Less: Vacancy Allowance (x Gross Income) ⁴	5%	\$ (0.15)	\$ (10,800.00)
Effective Gross Income (EGI)		\$ 2.85	\$ 205,200
Less: Management Fee (x EGI) ⁴	3%	\$ (0.09)	\$ (6,156)
Net Commercial Income		\$ 2.76	\$ 199,044
Net Operating Income (NOI)		\$ 1.75	\$ 1,660,709

Feasibility

Return on Total Development Cost		
Net Operating Income (from above)		\$ 1,660,709
Total Development Cost (from above)		\$ 35,522,759
Return on Cost (NOI / TDC)		4.7%
Feasible?		NO
(Minimum = Cap Rate + 1.00% = 5.5%) ⁴		

Developer Profit Margin		
Net Operating Income (from above)		\$ 1,660,709
Cap Rate ⁷	4.50%	
Project Value (NOI x Cap Rate)		\$ 36,904,637
Less: Cost of Sale ⁴	5.0%	\$ (1,845,232)
Net Project Sale Value		\$ 35,059,405
Less: Total Development Cost (from above)		\$ (35,522,759)
Developer Profit Margin		\$ (463,353)
% x Net Project Sale Value		-1.3%
Feasible?		NO
(Minimum = 12.5%) ⁴		

SOURCES & NOTES:

¹ Archeon Group

² Archeon Group, verified by a review of the executed Purchase & Sale Agreement, dated May 1, 2014.

³ HR&A estimate of weighted retail and residential costs based on Marshall & Swift Cost Estimator software, June 2015 data for LA area. Includes demolition, site work and an adjustment to reflect unusually small unit sizes, but factored to remove soft costs listed separately.

⁴ HR&A assumptions typical for this type of project and/or calculations.

⁵ HR&A, based on review of market comps for similarly-scaled new construction apartments with retail.

⁶ LA Housing & Community Investment Dept. affordable rent schedule for Density Bonus program (Schedule VI), July 1, 2014, net of utility allowances, per Housing Authority of the City of Los Angeles.

⁷ Based on HR&A review of third party data sources (e.g., Real Estate Research Corp., 2015 Q2 data; CBRE survey, H2 2014; CoStar data for sale of buildings within a 1-mile radius of the project since 2012).

Prepared by: HR&A Advisors, Inc.

Attachment A
2972 7th Street
Financial Feasibility, Density Bonus, 2.025 FAR Development Scenario
On-Menu FAR and Parking Incentives

	<u>Without Density Bonus</u>	
	<u>Per Unit</u>	<u>Total</u>
Development Program¹		
Land Area (sf)	293	52,796
Gross Building Area (GSF)	594	106,911
FAR (based on GSF)		2.025
Rentable Area - Residential (NSF)	428	77,111
Rentable Area - Commercial (NSF) - 1 Space		9,000
Building Efficiency		80.5%
Apartments		
Market Rate		165
Affordable		15
Total Units		180
Subterranean Parking		119
Levels		1
At Grade Parking		
Residential Spaces		38
Commercial Spaces		26
Total Residential Parking	0.87	157

Unit Mix¹	Number	Net Rentable SF	Mo. Rent/NRSF	Mo. Rent	Total Mo. Rent
Market Rate⁵					
Studio	60	350	\$4.00	\$1,400	\$ 84,000
1 Bedroom	96	440	\$3.70	\$1,628	\$ 156,288
2 Bedroom	9	700	\$3.00	\$2,100	\$ 18,900
	165	0.806		\$	259,188

Affordable⁶					
Studio	4	350	\$1.31	\$459	\$ 1,836
1 Bedroom	4	440	\$1.17	\$515	\$ 2,060
2 Bedroom	7	700	\$0.82	\$571	\$ 3,997
	15			\$	7,893

Land	Per Land SF	Per Unit	Total
Land Acquisition ²	\$ 227.29	\$ 66,667	\$ 12,000,000
Subtotal Land	\$ 227.29	\$ 66,667	\$ 12,000,000

Construction	Per Bldg. GSF	Per Unit/Space	Total
Hard Construction-Buildings ¹	\$ 168	\$ 100,041	\$ 18,007,460
Hard Construction-At Grade Parking (per space) ³		\$17,170	\$ 1,098,880
Hard Construction-Subt. Parking (per space) ³		\$30,191	\$ 3,592,729
Tenant Improvements Allowance (x Retail NSF) ⁴	\$50	\$ 4	\$ 450,000
Hard Cost Contingency (x Subtotal) ³	5%	\$ 11	\$ 6,430
Subtotal Construction¹	\$ 227	\$ 135,036	\$ 24,306,522

Soft Costs⁴							
Design, Engineering & Consulting Services (x Hard Costs)	6.0%	\$	13.64	\$	8,102	\$	1,458,391
Permits & Fees (x Hard Costs)	4.0%	\$	9.09	\$	5,401	\$	972,261
Taxes, Insurance, Legal & Accounting (x Hard Costs)	3.0%	\$	6.82	\$	4,051	\$	729,196
Development Management (x Hard Costs)	4.0%	\$	9.09	\$	5,401	\$	972,261
Soft Cost Contingency (x Subtotal) ³	3.0%	\$	1.16	\$	689	\$	123,963
Subtotal Soft Costs	20.0%	\$	39.81	\$	23,645	\$	4,256,072

Construction Financing Costs⁴	Per GSF	Per Unit	Total
Land + Hard Costs + Soft Costs	\$ 40,562,594		
Loan to Cost Ratio	80%		
Construction Loan Principal	\$ 32,450,076		
Loan Fees (%)	2.5%	\$ 7.59	\$ 4,507
Interest Rate	6.60%		
Outstanding Principal Balance	60%		
Term (years)	2		
Construction Period (months)	18		
Construction Loan Interest	\$ 18.03	\$ 10,709	\$ 1,927,534
Permanent Loan Points	2.0%	\$ 6.07	\$ 3,606
Subtotal Construction Loan	\$ 31.69	\$ 18,821	\$ 3,387,788
Total Development Cost (TDC)	\$ 411.09	\$ 244,169	\$ 43,950,382

	Per Unit/Mo.	Per NSF/Unit/Mo.	Annual
Net Operating Income			
Gross Apartment Rental Income			
Market Rate Apartments ⁵	\$ 1,571	\$ 3.73	\$ 3,110,256
Affordable Apartments (Very Low-Income) ⁶	\$ 526	\$ 1.25	\$ 94,716
Miscellaneous Revenue ⁴	\$ 25	\$ 0.06	\$ 54,000
Gross Income	\$ 1,509	\$ 3.52	\$ 3,258,972
Less: Vacancy Allowance ⁴	5.0% \$ (82)	\$ (0.00)	\$ (162,949)
Effective Gross Income (EGI)	\$ 1,426	\$ 3.52	\$ 3,096,023
Less: Annual Operating Expenses (x EGI) ¹	35.0% \$ (502)	\$ (1.17)	\$ (1,083,608)
Less: Replacement Reserve (per unit/year) ⁶	\$150 \$ (13)	\$ (0.03)	\$ (27,000)
Net Apartment Income	\$ 912	\$ 2.32	\$ 1,985,415
		Per NSF/Mo	Annual
Gross Retail Rental Income (NNN) ⁵		\$ 3.00	\$ 324,000
Less: Vacancy Allowance (x Gross Income) ⁴	5%	\$ (0.15)	\$ (16,200.00)
Effective Gross Income (EGI)		\$ 2.85	\$ 307,800
Less: Management Fee (x EGI) ⁴	3%	\$ (0.09)	\$ (9,234)
Net Commercial Income		\$ 2.76	\$ 298,566
Net Operating Income (NOI)		\$ 1.78	\$ 2,283,981

Feasibility

Return on Total Development Cost			
Net Operating Income (from above)		\$	2,283,981
Total Development Cost (from above)		\$	43,950,382
Return on Cost (NOI / TDC)			5.2%
Feasible?			NO
(Minimum = Cap Rate + 1.00% = 5.5%) ⁷			

Developer Profit Margin			
Net Operating Income (from above)		\$	2,283,981
Cap Rate ⁷	4.50%		
Project Value (NOI x Cap Rate)		\$	50,755,138
Less: Cost of Sale ⁴	5.0%	\$	(2,537,757)
Net Project Sale Value		\$	48,217,381
Less: Total Development Cost (from above)		\$	(43,950,382)
Developer Profit Margin		\$	4,266,999
% x Net Project Sale Value			8.8%
Feasible?			NO
(Minimum = 12.5%) ⁴			

SOURCES & NOTES:

- ¹ Archeon Group
- ² Archeon Group, verified by a review of the executed Purchase & Sale Agreement, dated May 1, 2014.
- ³ HR&A estimate of weighted retail and residential costs based on Marshall & Swift Cost Estimator software, June 2015 data for LA area. Includes demolition, site work and an adjustment to reflect unusually small unit sizes, but factored to remove soft costs listed separately.
- ⁴ HR&A assumptions typical for this type of project and/or calculations.
- ⁵ HR&A, based on review of market comps for similarly-scaled new construction apartments with retail.
- ⁶ LA Housing & Community Investment Dept. affordable rent schedule for Density Bonus program (Schedule VI), July 1, 2014, net of utility allowances, per Housing Authority of the City of Los Angeles.
- ⁷ Based on HR&A review of third party data sources (e.g., Real Estate Research Corp., 2015 Q2 data; CBRE survey, H2 2014; CoStar data for sale of buildings within a 1-mile radius of the project since 2012).

Prepared by: HR&A Advisors, Inc.

Attachment A
2972 7th Street

Financial Feasibility, Density Bonus, 2.025 FAR Development Scenario with Larger Unit Sizes
On-Menu FAR and Parking Incentives

	Without Density Bonus	
	Per Unit	Total
Development Program¹		
Land Area (sf)	459	52,796
Gross Building Area (GSF)	930	106,911
FAR (based on GSF)		2.025
Rentable Area - Residential (NSF)	671	77,111
Rentable Area - Commercial (NSF) - 1 Space		9,000
Building Efficiency		80.5%
Apartments		
Market Rate		100
Affordable		15
Total Units		115
Subterranean Parking		75
Levels		1
At Grade Parking		54
Residential Spaces		28
Commercial Spaces		26
Total Residential Parking	0.90	103

	Number	Net Rentable SF	Mo. Rent/NRSF	Mo. Rent	Total Mo. Rent
Unit Mix¹					
Market Rate ⁶					
Studio	36	500	\$3.25	\$1,625	\$ 58,500
1 Bedroom	58	725	\$3.00	\$2,175	\$ 126,150
2 Bedroom	6	1,100	\$2.75	\$3,025	\$ 18,150
	100	1,330			\$ 202,800
Affordable ⁶					
Studio	4	500	\$0.92	\$459	\$ 1,836
1 Bedroom	4	725	\$0.71	\$515	\$ 2,060
2 Bedroom	7	1,100	\$0.52	\$571	\$ 3,997
	15				\$ 7,893

	Per Land SF	Per Unit	Total
Land			
Land Acquisition ²	\$ 227.29	\$ 104,348	\$ 12,000,000
Subtotal Land	\$ 227.29	\$ 104,348	\$ 12,000,000

	Per Bldg. GSF	Per Unit/Space	Total
Construction			
Hard Construction-Buildings ¹	\$ 144	\$ 134,109	\$ 15,422,559
Hard Construction-At Grade Parking (per space) ³		\$17,170	\$ 927,180
Hard Construction-Subt. Parking (per space) ³		\$30,191	\$ 2,264,325
Tenant Improvements Allowance (x Retail NSF) ⁴	\$50	\$ 4	\$ 450,000
Hard Cost Contingency (x Subtotal) ³	5%	\$ 9	\$ 953,203
Subtotal Construction ¹	\$ 187	\$ 174,063	\$ 20,017,267

	Soft Costs⁴	Per GSF	Per Unit	Total
Design, Engineering & Consulting Services (x Hard Costs)	6.0%	\$ 11.23	\$ 10,444	\$ 1,201,036
Permits & Fees (x Hard Costs)	4.0%	\$ 7.49	\$ 6,963	\$ 800,691
Taxes, Insurance, Legal & Accounting (x Hard Costs)	3.0%	\$ 5.62	\$ 5,222	\$ 600,518
Development Management (x Hard Costs)	4.0%	\$ 7.49	\$ 6,963	\$ 800,691
Soft Cost Contingency (x Subtotal) ³	3.0%	\$ 0.95	\$ 888	\$ 102,088
Subtotal Soft Costs	20.0%	\$ 32.78	\$ 30,478	\$ 3,505,024

	Per GSF	Per Unit	Total
Construction Financing Costs⁴			
Land + Hard Costs + Soft Costs	\$ 35,522,291		
Loan to Cost Ratio	80%		
Construction Loan Principal	\$ 28,417,833		
Loan Fees (%)	2.5%	\$ 6.65	\$ 710,446
Interest Rate	6.60%		
Outstanding Principal Balance	60%		
Term (years)	2		
Construction Period (months)	18		
Construction Loan Interest	\$ 15.79	\$ 14,678	\$ 1,688,019
Permanent Loan Points	2.0%	\$ 5.32	\$ 4,942
Subtotal Construction Loan	\$ 27.75	\$ 25,798	\$ 2,966,822
Total Development Cost (TDC)	\$ 360.01	\$ 334,688	\$ 38,489,113

	Per Unit/Mo.	Per NSF/Unit/Mo.	Annual
Net Operating Income			
Gross Apartment Rental Income			
Market Rate Apartments ⁵	\$ 2,028	\$ 3.04	\$ 2,433,600
Affordable Apartments (Very Low-Income) ⁶	\$ 526	\$ 0.81	\$ 94,716
Miscellaneous Revenue ⁴	\$ 25	\$ 0.04	\$ 34,500
Gross Income	\$ 1,857	\$ 2.77	\$ 2,562,816
Less: Vacancy Allowance ⁴	5.0% \$ (107)	\$ (0.00)	\$ (128,141)
Effective Gross Income (EGI)	\$ 1,750	\$ 2.77	\$ 2,434,675
Less: Annual Operating Expenses (x EGI) ¹	35.0% \$ (617)	\$ (0.92)	\$ (852,136)
Less: Replacement Reserve (per unit/year) ⁴	\$150 \$ (13)	\$ (0.02)	\$ (17,250)
Net Apartment Income	\$ 1,120	\$ 1.83	\$ 1,565,289
Gross Retail Rental Income (NNN) ⁵		Per NSF/Mo \$ 3.00	Annual \$ 324,000
Less: Vacancy Allowance (x Gross Income) ⁴	5%	\$ (0.15)	\$ (16,200.00)
Effective Gross Income (EGI)		\$ 2.85	\$ 307,800
Less: Management Fee (x EGI) ⁴	3%	\$ (0.09)	\$ (9,234)
Net Commercial Income		\$ 2.76	\$ 298,566
Net Operating Income (NOI)		\$ 1.45	\$ 1,863,855

Feasibility

Return on Total Development Cost		
Net Operating Income (from above)		\$ 1,863,855
Total Development Cost (from above)		\$ 38,489,113
Return on Cost (NOI / TDC)		4.8%
Feasible?		NO
(Minimum = Cap Rate + 1.00% = 5.5%) ⁷		

Developer Profit Margin		
Net Operating Income (from above)		\$ 1,863,855
Cap Rate ⁷	4.50%	
Project Value (NOI x Cap Rate)		\$ 41,418,997
Less: Cost of Sale ⁴	5.0%	\$ (2,070,950)
Net Project Sale Value		\$ 39,348,047
Less: Total Development Cost (from above)		\$ (38,489,113)
Developer Profit Margin		\$ 858,935
% x Net Project Sale Value		2.2%
Feasible?		NO
(Minimum = 12.5%) ⁴		

SOURCES & NOTES:

- ¹ Archeon Group
- ² Archeon Group, verified by a review of the executed Purchase & Sale Agreement, dated May 1, 2014.
- ³ HR&A estimate of weighted retail and residential costs based on Marshall & Swift Cost Estimator software, June 2015 data for LA area. Includes demolition and site work, but factored to remove soft costs listed separately.
- ⁴ HR&A assumptions typical for this type of project and/or calculations.
- ⁵ HR&A, based on review of market comps for similarly-scaled new construction apartments with retail.
- ⁶ LA Housing & Community Investment Dept. affordable rent schedule for Density Bonus program (Schedule VI), July 1, 2014, net of utility allowances, per Housing Authority of the City of Los Angeles.
- ⁷ Based on HR&A review of third party data sources (e.g., Real Estate Research Corp., 2015 Q2 data; CBRE survey, H2 2014; CoStar data for sale of buildings within a 1-mile radius of the project since 2012).

Prepared by: HR&A Advisors, Inc.

Attachment A**2972 7th Street****Financial Feasibility, Density Bonus, 3.0 FAR Development Scenario****Off-Menu FAR, Community Plan Map Relief, and On-Menu Parking Incentives**

	Without Density Bonus	
	Per Unit	Total
Development Program¹		
Land Area (sf)	293	52,796
Gross Building Area (GSF)	880	158,388
FAR (based on GSF)		3,000
Rentable Area - Residential (NSF)	681	122,588
Rentable Area - Commercial (NSF) - 1 Space		15,000
Building Efficiency		86.9%
Apartments		
Market Rate		165
Affordable		15
Total Units		180
Subterranean Parking		127
Levels		1
At Grade Parking		70
Residential Spaces		43
Commercial Spaces		27
Total Residential Parking	0.94	170

	Number	Net Rentable SF	Mo. Rent/NRSE	Mo. Rent	Total Mo. Rent
Unit Mix¹					
Market Rate ⁵					
Studio	60	500	\$3.25	\$1,625	\$ 97,500
1 Bedroom	96	725	\$3.00	\$2,175	\$ 208,800
2 Bedroom	9	1,100	\$2.75	\$3,025	\$ 27,225
	165			\$	\$ 333,525

Affordable⁶					
Studio	4	500	\$0.92	\$459	\$ 1,836
1 Bedroom	4	725	\$0.71	\$515	\$ 2,060
2 Bedroom	7	1,100	\$0.52	\$571	\$ 3,997
	15			\$	\$ 7,893

	Per Land SF	Per Unit	Total
Land			
Land Acquisition ²	\$ 227.29	\$ 66,667	\$ 12,000,000
Subtotal Land	\$ 227.29	\$ 66,667	\$ 12,000,000

	Per Bldg. GSF	Per Unit/Space	Total
Construction			
Hard Construction-Buildings ¹	\$ 145	\$ 127,434	\$ 22,938,054
Hard Construction-At Grade Parking (per space) ³		\$17,170	\$ 1,201,900
Hard Construction-Subt. Parking (per space) ³		\$30,191	\$ 3,834,257
Tenant Improvements Allowance (x Retail NSF) ⁴	\$50	\$ 5	\$ 750,000
Hard Cost Contingency (x Subtotal) ³	5%	\$ 9	\$ 7,979
Subtotal Construction ¹	\$ 190	\$ 167,558	\$ 30,160,422

Soft Costs⁴				
Design, Engineering & Consulting Services (x Hard Costs)	6.0%	\$ 11.43	\$ 10,053	\$ 1,809,625
Permits & Fees (x Hard Costs)	4.0%	\$ 7.62	\$ 6,702	\$ 1,206,417
Taxes, Insurance, Legal & Accounting (x Hard Costs)	3.0%	\$ 5.71	\$ 5,027	\$ 904,813
Development Management (x Hard Costs)	4.0%	\$ 7.62	\$ 6,702	\$ 1,206,417
Soft Cost Contingency (x Subtotal) ³	3.0%	\$ 0.97	\$ 855	\$ 153,818
Subtotal Soft Costs	20.0%	\$ 33.34	\$ 29,339	\$ 5,281,090

	Per GSF	Per Unit	Total
Construction Financing Costs⁴			
Land + Hard Costs + Soft Costs	\$ 47,441,511		
Loan to Cost Ratio	80%		
Construction Loan Principal	\$ 37,953,209		
Loan Fees (%)	2.5%	\$ 5.99	\$ 5,271
Interest Rate	6.60%		
Outstanding Principal Balance	60%		
Term (years)	2		
Construction Period (months)	18		
Construction Loan Interest	\$ 14.23	\$ 12,525	\$ 2,254,421
Permanent Loan Points	2.0%	\$ 4.79	\$ 4,217
Subtotal Construction Loan	\$ 25.02	\$ 22,013	\$ 3,962,315
Total Development Cost (TDC)	\$ 324.54	\$ 285,577	\$ 51,403,826

	Per Unit/Mo.	Per NSF/Unit/Mo.	Annual
Net Operating Income			
Gross Apartment Rental Income			
Market Rate Apartments ⁵	\$ 2,021	\$ 3.05	\$ 4,002,300
Affordable Apartments (Very Low-Income) ⁶	\$ 526	\$ 0.81	\$ 94,716
Miscellaneous Revenue ⁴	\$ 25	\$ 0.04	\$ 54,000
Gross Income	\$ 1,922	\$ 2.82	\$ 4,151,016
Less: Vacancy Allowance ⁴	5.0% \$ (105)	\$ (0.00)	\$ (207,551)
Effective Gross Income (EGI)	\$ 1,817	\$ 2.82	\$ 3,943,465
Less: Annual Operating Expenses (x EGI) ¹	35.0% \$ (639)	\$ (0.94)	\$ (1,380,213)
Less: Replacement Reserve (per unit/year) ⁴	\$150 \$ (13)	\$ (0.02)	\$ (27,000)
Net Apartment Income	\$ 1,165	\$ 1.86	\$ 2,536,252
		Per NSF/Mo	Annual
Gross Retail Rental Income (NNN) ⁵		\$ 3.00	\$ 540,000
Less: Vacancy Allowance (x Gross Income) ⁴	5%	\$ (0.15)	\$ (27,000.00)
Effective Gross Income (EGI)		\$ 2.85	\$ 513,000
Less: Management Fee (x EGI) ⁴	3%	\$ (0.09)	\$ (15,390)
Net Commercial Income		\$ 2.76	\$ 497,610
Net Operating Income (NOI)		\$ 1.60	\$ 3,033,862

Feasibility

Return on Total Development Cost		
Net Operating Income (from above)		\$ 3,033,862
Total Development Cost (from above)		\$ 51,403,826
Return on Cost (NOI / TDC)		5.9%
Feasible?		YES
(Minimum = Cap Rate + 1.00% = 5.5%) ⁴		

Developer Profit Margin		
Net Operating Income (from above)		\$ 3,033,862
Cap Rate ⁷	4.50%	
Project Value (NOI x Cap Rate)		\$ 67,419,164
Less: Cost of Sale ⁴	5.0%	\$ (3,370,958)
Net Project Sale Value		\$ 64,048,206
Less: Total Development Cost (from above)		\$ (51,403,826)
Developer Profit Margin		\$ 12,644,379
% x Net Project Sale Value		19.7%
Feasible?		YES
(Minimum = 12.5%) ⁴		

SOURCES & NOTES:

- ¹ Archeon Group
- ² Archeon Group, verified by a review of the executed Purchase & Sale Agreement, dated May 1, 2014.
- ³ HR&A estimate of weighted retail and residential costs based on Marshall & Swift Cost Estimator software, June 2015 data for LA area. Includes demolition and site work, but factored to remove soft costs listed separately.
- ⁴ HR&A assumptions typical for this type of project and/or calculations.
- ⁵ HR&A, based on review of market comps for similarly-scaled new construction apartments with retail.
- ⁶ LA Housing & Community Investment Dept. affordable rent schedule for Density Bonus program (Schedule VI), July 1, 2014, net of utility allowances, per Housing Authority of the City of Los Angeles.
- ⁷ Based on HR&A review of third party data sources (e.g., Real Estate Research Corp., 2015 Q2 data; CBRE survey, H2 2014; CoStar data for sale of buildings within a 1-mile radius of the project since 2012).

Prepared by: HR&A Advisors, Inc.

Memorandum

To: Mr. Christopher Pak, Principal, Archeon Group
From: Stanley R. Hoffman, President
cc: Shane Boland, Planning Associate, Archeon Group
Date: August 24, 2015
Subject: Peer Review, 2972 7th Street, Los Angeles, Housing/Retail Pro Forma Feasibility Analysis
Job No: 1296

Introduction

Archeon Group's proposed 2972 7th Street, mixed-use development includes both market rate and affordable multi-family units and a small amount of retail space in the Koreatown neighborhood of the City of Los Angeles, as shown in Figure 1. The financial feasibility analyses prepared by HR&A Advisors, Inc. (HR&A) provides four (4) project alternatives: 1) a 1.50 FAR development scenario with no density bonus or other incentives; 2) a 50 percent density bonus yielding a 2.025 FAR development scenario, and on-menu density bonus and parking incentives; 3) a 2.025 FAR alternative development scenario with on-menu density bonus and parking incentives and larger unit sizes, and 4) a 3.0 FAR development scenario with on-menu parking incentives and off-menu density bonus and community plan map relief that allows for an increase over the C-2 Zone Height District 1 that limits the overall FAR to 1.50. The four (4) pro forma analyses indicate that only the fourth alternative is feasible.

Stanley R. Hoffman Associates, Inc. (SRHA) has been requested to conduct an independent peer review of the financial feasibility analyses prepared by HR&A Advisors, Inc. (HR&A). This financial analysis was conveyed August 17, 2015 in a letter report form, authored by Paul Silvern and addressed to you. In this review, four (4) components of the feasibility analysis will be evaluated: 1) methodology and calculations; 2) key cost and financial assumptions; and 3) findings and conclusions. The following memorandum presents our findings. I acknowledge the assistance in market research of Timothy Lowe of Waronzof Associates, Inc., a Los Angeles real estate valuation and consulting firm.

Methodology and Calculations

HR&A followed a standard static pro forma format to calculate the project's financial feasibility. Each of their analyses includes:

- Development program assumptions (land area, gross building area, FAR (floor area ratio), building efficiency, apartment units – including both market rate and affordable units, rentable retail area, and parking spaces for both apartments and commercial space.
- Unit mix (studio, one-bedroom, and two-bedroom units distributed between market rate and affordable units)
- Parking Allocations

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- Land acquisition costs
- Total development costs (TDC), including construction, soft costs and construction financing costs
- Estimation of NOI (net operating income) from apartment rental income, miscellaneous revenue, and retail rental income (NNN) less estimated vacancy allowance and management fee
- Feasibility analysis using two measures:
 - 1) Return-on-Cost where Net Operating Income (NOI)/Total Development Costs (TDC) is less than 5.5% (market capitalization rate, plus 100 basis points), and
 - 2) Developer Profit Margin of 12.5% or greater, i.e., (Net Project Sale Value minus TDC) / Net Project Sale Value).

We find the methodological approach to be appropriate and suitable for the analysis. Consideration of both return-on-cost and developer profit measures of feasibility is appropriate. We find the threshold amounts (return-on-cost of 5.5% and developer profit margin of 12.5%) to be within the range of market evidence, based on surveys of investor expectations. We find the return on cost measure of 5.5% to be at the very low end of the range (i.e. most developers would seek a return on cost above this threshold) and the developer profit margin to be at the high end of the range (i.e., most developers would consider a lower profit margin acceptable).

Review of Unit Mix Scenarios

Unit Mix – Development Scenario 1. The unit mix was comprised of 46 studios (360 SF), 66 one-bedroom units (450 SF), and 6 two-bedroom units (700 SF). A total of 118 market rate units was calculated: studios (\$4.00 monthly rent/SF), one-bedroom units (\$3.70 monthly rent/SF), and two-bedroom units (\$3.00 monthly rent/SF), and additionally, 15 affordable units with studio (4), 1-bedroom (4), and 2-bedroom units (7).

Unit Mix – Development Scenario 2. The unit mix was comprised of 60 studios (350 SF), 96 one-bedroom units (440 SF), and 9 two-bedroom units (700 SF). A total of 165 market rate units was calculated: studios (\$4.00 monthly rent/SF), one-bedroom units (\$3.70 monthly rent/SF), and two-bedroom units (\$3.00 monthly rent/SF), and additionally, 15 affordable units with studio (4), 1-bedroom (4), and 2-bedroom units (7).

Unit Mix – Development Scenario 3. This scenario has an FAR of 2.025, similar to Development Scenario 2, but with larger unit sizes with the unit mix comprised of 36 studios (500 SF), 58 one-bedroom units (725 SF), and 6 two-bedroom units (1,100 SF). A total of 100 market rate units was calculated: studios (\$3.25 monthly rent/SF), one-bedroom units (\$3.00 monthly rent/SF), and two-bedroom units (\$2.75 monthly rent/SF), and additionally, 15 affordable units with studio (4), 1-bedroom (4), and 2-bedroom units (7).

Unit Mix – Development Scenario 4. The unit mix was comprised of 60 studios (500 SF), 96 one-bedroom units (725 SF), and 9 two-bedroom units (1,100 SF). A total of 165 market rate

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units was calculated: studios (\$3.25 monthly rent/SF), one-bedroom units (\$3.00 monthly rent/SF), and two-bedroom units (\$2.75 monthly rent/SF), and additionally, 15 affordable studio units with (4), 1-bedroom (4), and 2-bedroom units (7).

It should be noted that the monthly market rent per sq. ft. in the HR&A pro formas assumes that the rent levels vary by type of unit on a per sq. ft. basis consistent with market conditions.

The detailed financial analysis completed by HR&A is summarized in Attachment A to their letter report of August 17, 2015. We refer the reader to this eight-page attachment, which describes the financial analysis in four, two-page summaries. Footnotes in these summaries describe source information used by HR&A.

Findings and Conclusions

1. Building Design Characteristics – we have reviewed the building design summary and renderings you have provided us, as well as the assumptions used by HR&A in Development Scenarios 1, 2, 3 and 4. We note that in Scenarios 1 and 2, the estimated average building size is much smaller, due to the lower permitted floor area ratio. HR&A has assumed unit counts of 133 units and 180 units, respectively, which results in estimated average apartment sizes that are unusually small, based on our experience with like residential development.
2. The estimated average unit sizes incorporated into Alternative Scenario 3 are larger and are much more typical of the Los Angeles and the Koreatown marketplace. Against a fixed FAR of 2.025 however, this does result in a reduction in the number of total units - to 115 for this scenario. For Development Scenario 4, with an average FAR of 3.0, the larger estimated average sizes in Scenario 3 are also used, which returns the total unit count to 180 because of the additional square footage allowed under the 3.0 FAR scenario.
3. Land Costs – the land cost of \$12,000,000 has been provided by the developer based on their Purchase & Sale Agreement, dated May 1, 2014.
4. Construction Costs – the hard construction costs for buildings are generally based on HR&A's use of the Marshall & Swift Cost Estimator software, June 2015 data for the Los Angeles area, including demolition of site work, and are considered to be within industry standards. For Scenarios 1 and 2, with smaller average unit size, the estimated average building construction costs were \$169 and \$168 per sq. ft. respectively; for Scenarios 3 and 4, with relatively larger average unit sizes, the estimated average building construction costs were \$144 and \$145 per sq. ft. respectively. These are considered appropriate for the market area. Soft Costs – including design, engineering and other services, and permits & fees, taxes, insurance, legal and accounting, development management, and contingency costs are also considered to be within the reasonable range of industry standards.

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5. Construction Financing Costs – related to construction cost financing is based on an 18 month construction schedule and assumes loan fees, interest, and permanent loan costs that are also within the reasonable range of industry standards.
6. Calculation of Density Bonuses – after the first pro forma for the Base Case (133 total units, including 15 affordable units¹), HR&A's second pro forma alternative applies the 35 percent "on-menu" affordable housing density bonus to yield 180 units, including 15 as affordable, resulting in an FAR of 2.025 (including the parking allowances permitted under Density Bonus Code 12.22a.25, Parking Option 1. HR&A's third alternative applies the same 2.025 FAR, but increases the estimated average unit sizes consistent with our market experience that results in a lesser number of 115 units for this alternative.
7. HR&A's fourth alternative applies the "off-menu" request for an increase to an FAR of 3.0 which is an off-menu request for relief from the Community Plan footnote that limits an FAR to 1.5 for a C-2 Zone Height District 1. With the proposed unit count at 180 units, the additional floor area (FAR) of 3.0, including the parking allowances permitted under Density Bonus Code 12.22a.25, Parking Option 1, allows the larger estimated average residential unit sizes similar to alternative Scenario 3. We feel that these average unit sizes are more consistent with the market area than the relatively smaller sizes under Scenarios 1 and 2.
8. Rental Space Level – the retail rent level is estimated at \$3.00 per sq. ft. NNN, less a vacancy allowance of 15 percent; NNN, or "triple net" means that the tenant pays for their share of property taxes, insurance and maintenance; and while there is no market supporting data provided for this estimate, it is not inconsistent with our understanding of Koreatown commercial rent levels.
9. Affordable Unit Rent Levels – the affordable rent levels for studio, 1-bedroom and 2-bedroom units, net of utility allowances, are based on HR&A's use of the City rent schedule for the Density Bonus program (Schedule VI), July 1, 2014, per the Housing Authority of the City of Los Angeles; HR&A indicated that they also used the City Housing Authority's average utility allowances in their calculation of net affordable rent.
10. Market Unit Rent Levels – the market rent levels for studio, 1-bedroom and 2-bedroom units is based on HR&A's use of "of review of market comps for similarly-scaled new construction apartments with retail," as reported in their footnote 5 of their pro formas.

Our review of the market rent levels by type of units based on CoStar data, for the Koreatown submarket among apartment buildings completed between 2000 to 2014, suggests that market rent assumptions should be different for scenarios 1 and 2, where

¹ We understand the inclusion of 15 units of affordable housing within the "base" project is proposed on a discretionary basis by the developer and is not required by City ordinances.

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estimated average unit size is considerably smaller than for scenarios 3 and 4.² Our review of the HR&A average unit sizes and rent levels, as summarized in Table 1, with supporting market data in Tables 2, 3 and 4, suggests that their estimated average unit sizes and rent levels are reasonable and consistent with market experience in the Koreatown area and supported by CoStar market information.

11. Feasibility – Based on our review of HR&A's methodology, calculations, development and market assumptions, and several telephone conversations, we find that HR&A's finding of infeasibility for Development Scenarios 1, 2 and 3 to be consistent with our review of their analysis and our understanding of the Koreatown residential market area. We also agree with their finding of the feasibility of Development Scenario 4, with the FAR of 3.0, including the parking allowances permitted under Density Bonus Code 12.22a.25, Parking Option 1,

² We note that unit sizes between scenario 1 and scenario 2 are not identical, but very similar; use of a common rent assumption (whether rent/sf/month or simply "monthly rent per apartment type") is satisfactory.

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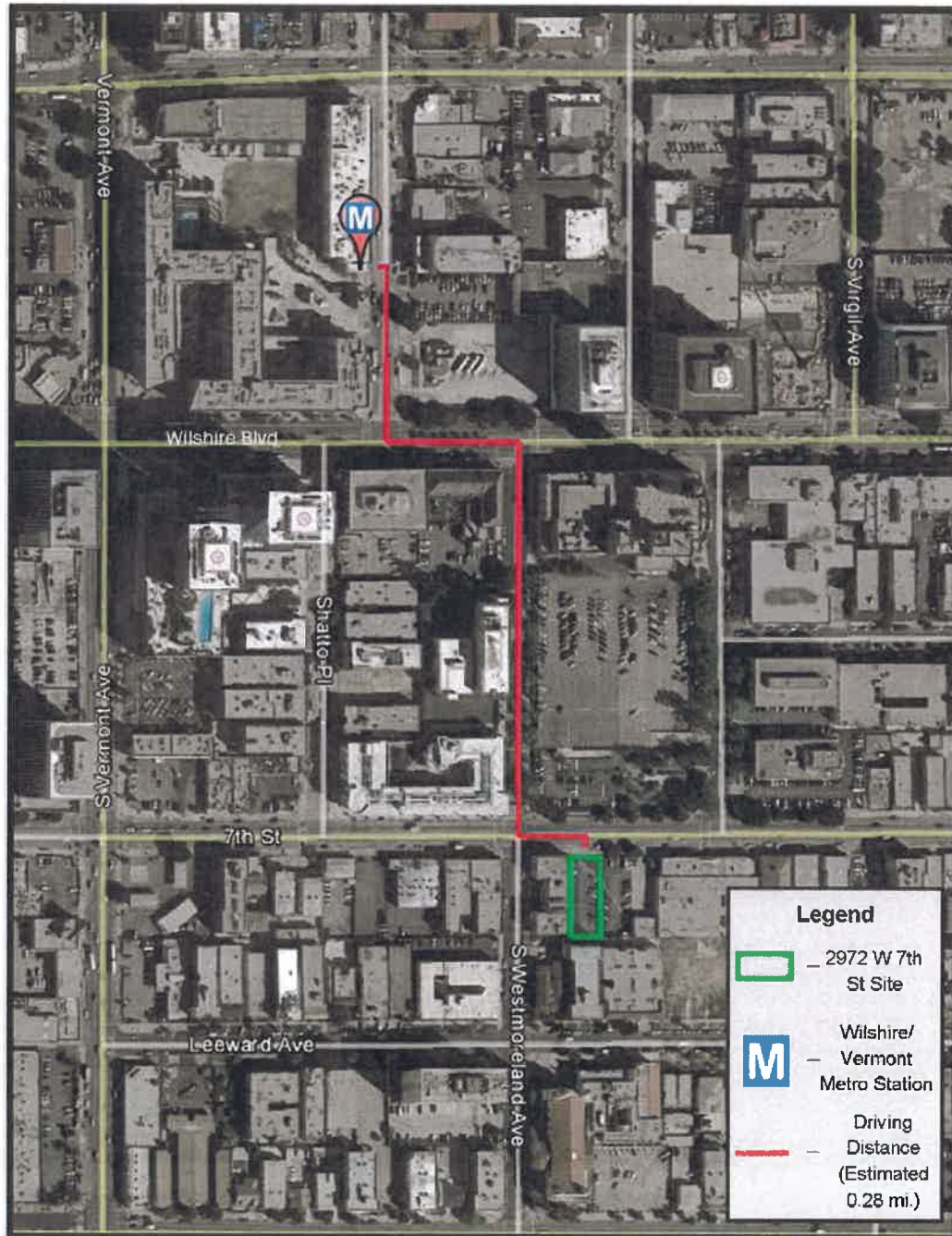
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Figure 1

Location of 2972 7th Street Project Site Near Vermont/Wilshire Transit Station



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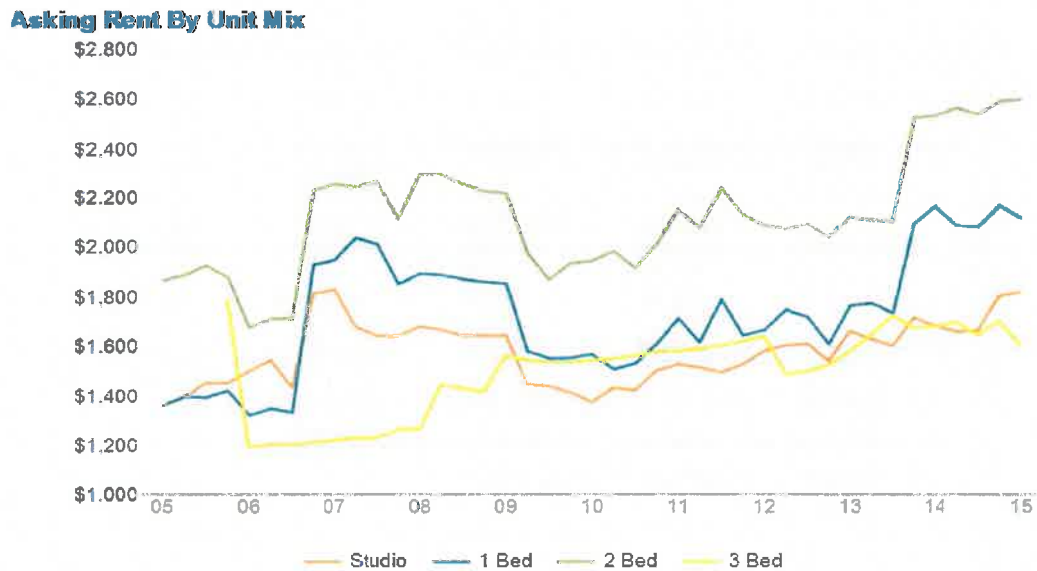
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Summary of the CoStar apartment market inquiry:

- Figure 2 presents average rent levels by unit type from 2005 to 2015 for the Koreatown submarket, among buildings constructed between 2000 and 2014
- Table 1 presents the estimated average unit sizes and rent levels used in the HR&A Study
- Tables 2-4 present average rent levels by unit types from the CoStar data for 4th Quarter 2014 through 3rd Quarter 2015

Figure 2
Average Apartment Rent Levels by Unit Type
Koreatown Submarket



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Source: CoStar Real Estate Information, Koreatown Sub-market – Apartment Market Conditions, 2005 – 2015, Buildings completed between 2000 and 2014

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Table 1
Estimated Average Apartment Sizes and Rent Levels by Unit Type
HR&A Feasibility Analysis
Koreatown Submarket

Panel A - Sizes of Units by Scenario

	2.025 FAR¹			
	1.50 FAR	2.025 FAR	(alternative)	3.0 FAR
Studio	360	350	500	500
1 Bdrm	450	440	725	725
2 Bdrm	700	700	1,100	1,100

Panel B - Rent Reported in HR&A Report

	2.025 FAR			
	1.50 FAR	2.025 FAR	(alternative)	3.0 FAR
Studio	\$1,440.00	\$1,400.00	\$1,625.00	\$1,625.00
1 Bdrm	\$1,665.00	\$1,628.00	\$2,175.00	\$2,175.00
2 Bdrm	\$2,100.00	\$2,100.00	\$3,025.00	\$3,025.00

Panel C - Rent Reported in HR&A Report per SF

	2.025 FAR			
	1.50 FAR	2.025 FAR	(alternative)	3.0 FAR
Studio	\$4.00	\$4.00	\$3.25	\$3.25
1 Bdrm	\$3.70	\$3.70	\$3.00	\$3.00
2 Bdrm	\$3.00	\$3.00	\$2.75	\$2.75

1. This alternative assumes larger unit sizes than the base 2.025 scenario that are more consistent with market conditions.

Source: Stanley R. Hoffman Associates, Inc.

HR&A Advisors, Inc.

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Table 2
Apartment Asking Rent Levels by Quarter
For Studio Units
Koreatown Submarket

Asking Rent			
Quarter	Avg SF	Per Unit	Per SF
2015 Q3	557	\$1,822	\$3.27
2015 Q2	557	\$1,807	\$3.24
2015 Q1	557	\$1,666	\$2.99
2014 Q4	557	\$1,662	\$2.98
4-Qtr Avg	557	\$1,739	\$3.12

Source: CoStar Apartment Rent Survey:
buildings constructed between 2000 - 2014.

Table 3
Apartment Asking Rent Levels by Quarter
For 1-Bedroom Units
Koreatown Submarket

Asking Rent			
Quarter	Avg SF	Per Unit	Per SF
2015 Q3	671	\$2,124	\$3.17
2015 Q2	671	\$2,171	\$3.24
2015 Q1	671	\$2,085	\$3.11
2014 Q4	671	\$2,089	\$3.11
4-Qtr Avg	671	\$2,117	\$3.16

Source: CoStar Apartment Rent Survey:
buildings constructed between 2000 - 2014.

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Table 4
Apartment Asking Rent Levels by Quarter
For 2-Bedroom Units
Koreatown Submarket

Asking Rent			
Quarter	Avg SF	Per Unit	Per SF
2015 Q3	984	\$2,608	\$2.65
2015 Q2	984	\$2,592	\$2.63
2015 Q1	984	\$2,540	\$2.58
2014 Q4	984	\$2,565	\$2.61
4-Qtr Avg	984	\$2,576	\$2.62

Source: CoStar Apartment Survey: buildings
buildings constructed from 2000 - 2014.
