

REVISED

Submitted on April 16, 2018
Authorized by: Alejandro Huerta
Comment: Alejandro Huerta



APPLICATIONS:

DEPARTMENT OF CITY PLANNING APPLICATION

THIS BOX FOR CITY PLANNING STAFF USE ONLY

Case Number _____
Env. Case Number _____
Application Type _____
Case Filed With (Print Name) _____ Date Filed _____

Application includes letter requesting:

Waived hearing Concurrent hearing Hearing not be scheduled on a specific date (e.g. vacation hold)
Related Case Number _____

*Provide all information requested. Missing, incomplete or inconsistent information will cause delays.
All terms in this document are applicable to the singular as well as the plural forms of such terms.*

1. PROJECT LOCATION

Street Address¹ 6701 W Sunset Blvd - See Attachment A for full list. Unit/Space Number _____
Legal Description² (Lot, Block, Tract) See Attachment A.
Assessor Parcel Number See Attachment A. Total Lot Area 363,277 sf (8.33 acres)

2. PROJECT DESCRIPTION

Present Use Mixed: office/commercial/residential/retail
Proposed Use Mixed: commercial/residential/retail/restaurant/hotel
Project Name (if applicable) Crossroads Hollywood
Describe in detail the characteristics, scope and/or operation of the proposed project Construction of a mixed-use hotel, commercial, and residential development to include up to approximately 950 new residential units, a 308 room hotel, and 190,000 sf of commercial uses.

Additional information attached YES NO

Complete and check all that apply:

Existing Site Conditions

- Site is undeveloped or unimproved (i.e. vacant)
- Site has existing buildings (provide copies of building permits)
- Site is/was developed with use that could release hazardous materials on soil and/or groundwater (e.g. dry cleaning, gas station, auto repair, industrial)
- Site is located within 500 feet of a freeway or railroad
- Site is located within 500 feet of a sensitive use (e.g. school, park)
- Site has special designation (e.g. National Historic Register, Survey LA)

¹ Street Addresses must include all addresses on the subject/application site (as identified in ZIMAS—<http://zimas.lacity.org>)
² Legal Description must include all contiguously owned properties (even if they are not a part of the proposed project site)

Proposed Project Information

- Demolition of existing buildings/structures
- Relocation of existing buildings/structures
- Interior tenant improvement
- Additions to existing buildings
- Grading
- Removal of any on-site tree
- Removal of any street tree
- New construction: 1,381,000 square feet
- Accessory use (fence, sign, wireless, carport, etc.)
- Exterior renovation or alteration
- Change of use and/or hours of operation
- Haul Route
- Uses or structures in public right-of-way
- Phased project

Housing Component Information

Number of Residential Units: Existing 83 - Demolish(ed)³ 83 + Adding 950 = Total 950
Number of Affordable Units⁴ Existing 0 - Demolish(ed) 0 + Adding 105 = Total 105
Number of Market Rate Units Existing 0 - Demolish(ed) 0 + Adding 845 = Total 845
Mixed Use Projects, Amount of Non-Residential Floor Area: 510,000 square feet

Public Right-of-Way Information

Have you submitted the Planning Case Referral Form to BOE? (required) YES NO
Is your project required to dedicate land to the public right-of-way? YES NO
If so, what is/are your dedication requirement(s)? _____ ft.
If you have dedication requirements on multiple streets, please indicate: _____

3. ACTION(S) REQUESTED

Provide the Los Angeles Municipal Code (LAMC) Section that authorizes the request and (if applicable) the LAMC Section or the Specific Plan/Overlay Section from which relief is sought; follow with a description of the requested action.

Does the project include Multiple Approval Requests per LAMC 12.36? YES NO

Authorizing section 12.22-A.25 Section from which relief is requested (if any): See Attachment A.
Request: Density Bonus Review to permit on-menu incentives including an increase of 35% of permitted floor area; averaging of floor area ratio (FAR), density, parking, open space, and permitted vehicular access; and off-menu incentive to increase FAR by an additional 16.5109% beyond the 35% FAR incentive.

Authorizing section 12.24-U.14 Section from which relief is requested (if any): _____
Request: Major Development Project Conditional Use Permit to allow a mixed-use residential, hotel, and commercial development with a total proposed floor area of approximately 1,381,000 square feet.

Authorizing section 12.24-W.1 and W.18 Section from which relief is requested (if any): _____
Request: Master Conditional Use Permit for the sale of alcoholic beverages in connection with a total of 22 alcohol-related uses associated with the Project's proposed hotel and commercial uses and eight uses with live entertainment.

Additional Requests Attached YES NO

³ Number of units to be demolished and/or which have been demolished within the last five (5) years.

⁴ As determined by the Housing and Community Investment Department

4. RELATED DEPARTMENT OF CITY PLANNING CASES

Are there previous or pending cases/decisions/environmental clearances on the project site? YES NO

If YES, list all case number(s) CPC-2015-2025-ZC-HD-MCUP-CU-ZV-SPR; ENV-2015-2026-EIR

If the application/project is directly related to one of the above cases, list the pertinent case numbers below and complete/check all that apply (provide copy).

Case No. CPC-2015-2025-ZC-HD-MCUP-CU-ZV-SPR Ordinance No.: _____

- Condition compliance review
- Clarification of Q (Qualified) classification
- Modification of conditions
- Clarification of D (Development Limitations) classification
- Revision of approved plans
- Amendment to T (Tentative) classification
- Renewal of entitlement
- Plan Approval subsequent to Master Conditional Use

For purposes of environmental (CEQA) analysis, is there intent to develop a larger project? YES NO

Have you filed, or is there intent to file, a Subdivision with this project? YES NO

If YES, to either of the above, describe the other parts of the projects or the larger project below, whether or not currently filed with the City:

N/A

5. OTHER AGENCY REFERRALS/REFERENCE

To help assigned staff coordinate with other Departments that may have a role in the proposed project, please check all that apply and provide reference number if known.

Are there any outstanding Orders to Comply/citations at this property? YES (provide copy) NO

Are there any recorded Covenants, affidavits or easements on this property? YES (provide copy) NO

Development Services Case Management Number _____

Building and Safety Plan Check Number _____

Bureau of Engineering Planning Referral (PCRF) _____

Bureau of Engineering Hillside Referral _____

Housing and Community Investment Department Application Number _____

Bureau of Engineering Revocable Permit Number _____

Bureau of Sanitation, Low Impact Development (LID) Referral _____

Other—specify _____

6. PROJECT TEAM INFORMATION (Complete all applicable fields)

Applicant⁵ name CRE-HAR Crossroads SPV, LLC c/o Bill Myers

Company/Firm _____

Address: 6363 Wilshire Blvd, Ste 600 Unit/Space Number _____

City Los Angeles State CA Zip Code: 90031

Telephone (323) 658-1511 E-mail: bmyersemail@gmail.com

Are you in escrow to purchase the subject property? YES NO

Property Owner of Record Same as applicant Different from applicant

Name (if different from applicant) Cross Roads Properties, LLC - see attached Ownership list

Address 6671 Sunset Blvd, Ste 1575 Unit/Space Number _____

City Los Angeles State CA Zip Code: 90031

Telephone (323) 463-5611 E-mail: linda@crossroadsproperties.com

Agent/Representative name Kyndra Casper / Jerry Neuman

Company/Firm DLA Piper LLP (US)

Address: 633 W. Fifth Street, 32nd Floor Unit/Space Number _____

City Los Angeles State CA Zip: 90071

Telephone (213) 694-3141 E-mail: kyndra.casper@dlapiper.com

Other (Specify Architect, Engineer, CEQA Consultant etc.) _____

Name _____

Company/Firm _____

Address: _____ Unit/Space Number _____

City _____ State _____ Zip Code: _____

Telephone _____ E-mail: _____

Primary Contact for Project Information Owner Applicant
(select only one) Agent/Representative Other

To ensure notification of any public hearing as well as decisions on the project, make sure to include an individual mailing label for each member of the project team in both the Property Owners List, and the Abutting Property Owners List.

⁵ An applicant is a person with a lasting interest in the completed project such as the property owner or a lessee/user of a project. An applicant is not someone filing the case on behalf of a client (i.e. usually not the agent/representative).

PROPERTY OWNER

9. **PROPERTY OWNER AFFIDAVIT.** Before the application can be accepted, the owner of each property involved must provide a notarized signature to verify the application is being filed with their knowledge. Staff will confirm ownership based on the records of the City Engineer or County Assessor. In the case of partnerships, corporations, LLCs or trusts the agent for service of process or an officer of the ownership entity so authorized may sign as stipulated below.

- **Ownership Disclosure.** If the property is owned by a partnership, corporation, LLC or trust, a disclosure identifying the agent for service of process or an officer of the ownership entity must be submitted. The disclosure must list the names and addresses of the principal owners (25% interest or greater). The signatory must appear in this list of names. A letter of authorization, as described below, may be submitted provided the signatory of the letter is included in the Ownership Disclosure. Include a copy of the current partnership agreement, corporate articles, or trust document as applicable.
- **Letter of Authorization (LOA).** A LOA from a property owner granting someone else permission to sign the application form may be provided if the property is owned by a partnership, corporation, LLC or trust or in rare circumstances when an individual property owner is unable to sign the application form. To be considered for acceptance, the LOA must indicate the name of the person being authorized to file, their relationship to the owner or project, the site address, a general description of the type of application being filed and must also include the language in items A-D below. In the case of partnerships, corporations, LLCs or trusts the LOA must be signed and notarized by the authorized signatory as shown on the Ownership Disclosure or in the case of private ownership by the property owner. Proof of Ownership for the signatory of the LOA must be submitted with said letter.
- **Grant Deed.** Provide a Copy of the Grant Deed If the ownership of the property does not match City Records and/or if the application is for a Coastal Development Permit. The Deed must correspond exactly with the ownership listed on the application.
- **Multiple Owners.** If the property is owned by more than one individual (e.g. John and Jane Doe or Mary Smith and Mark Jones) notarized signatures are required of all owners.

- A. I hereby certify that I am the owner of record of the herein previously described property located in the City of Los Angeles which is involved in this application or have been empowered to sign as the owner on behalf of a partnership, corporation, LLC or trust as evidenced by the documents attached hereto.
- B. I hereby consent to the filing of this application on my property for processing by the Department of City Planning.
- C. I understand if the application is approved, as a part of the process the City will apply conditions of approval which may be my responsibility to satisfy including, but not limited to, recording the decision and all conditions in the County Deed Records for the property.
- D. By my signature below, I declare under penalty of perjury under the laws of the State of California that the foregoing statements are true and correct.

*Property Owner's signatures must be signed/notarized in the presence of a Notary Public.
The City requires an original signature from the property owner with the "wet" notary stamp.
A Notary Acknowledgement is available for your convenience on following page.*

Signature _____

Date _____

Print Name _____

Signature _____

Date _____

Print Name _____

Space Below For Notary's Use

California All-Purpose Acknowledgement

Civil Code ' 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____

On _____ before me, _____
(Insert Name of Notary Public and Title)

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf on which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

APPLICANT

- 10. APPLICANT DECLARATION.** A separate signature from the applicant, whether they are the property owner or not, attesting to the following, is required before the application can be accepted.
- A. I hereby certify that the information provided in this application, including plans and other attachments, is accurate and correct to the best of my knowledge. Furthermore, should the stated information be found false or insufficient to fulfill the requirements of the Department of City Planning, I agree to revise the information as appropriate.
 - B. I hereby certify that I have fully informed the City of the nature of the project for purposes of the California Environmental Quality Act (CEQA) and have not submitted this application with the intention of segmenting a larger project in violation of CEQA. I understand that should the City determine that the project is part of a larger project for purposes of CEQA, the City may revoke any approvals and/or stay any subsequent entitlements or permits (including certificates of occupancy) until a full and complete CEQA analysis is reviewed and appropriate CEQA clearance is adopted or certified.
 - C. I understand that the environmental review associated with this application is preliminary, and that after further evaluation, additional reports, studies, applications and/or fees may be required.
 - D. I understand and agree that any report, study, map or other information submitted to the City in furtherance of this application will be treated by the City as public records which may be reviewed by any person and if requested, that a copy will be provided by the City to any person upon the payment of its direct costs of duplication.
 - E. I understand that the burden of proof to substantiate the request is the responsibility of the applicant. Additionally, I understand that planning staff are not permitted to assist the applicant or opponents of the project in preparing arguments for or against a request.
 - F. I understand that there is no guarantee, expressed or implied, that any permit or application will be granted. I understand that each matter must be carefully evaluated and that the resulting recommendation or decision may be contrary to a position taken or implied in any preliminary discussions.
 - G. I understand that if this application is denied, there is no refund of fees paid.
 - H. I understand and agree to defend, indemnify, and hold harmless, the City, its officers, agents, employees, and volunteers (collectively "City"), from any and all legal actions, claims, or proceedings (including administrative or alternative dispute resolution (collectively "actions"), arising out of any City process or approval prompted by this Action, either in whole or in part. Such actions include but are not limited to: actions to attack, set aside, void, or otherwise modify, an entitlement approval, environmental review, or subsequent permit decision; actions for personal or property damage; actions based on an allegation of an unlawful pattern and practice; inverse condemnation actions; and civil rights or an action based on the protected status of the petitioner or claimant under state or federal law (e.g. ADA or Unruh Act). I understand and agree to reimburse the City for any and all costs incurred in defense of such actions. This includes, but it not limited to, the payment of all court costs and attorneys' fees, all judgments or awards, damages, and settlement costs. The indemnity language in this paragraph is intended to be interpreted to the broadest extent permitted by law and shall be in addition to any other indemnification language agreed to by the applicant.
 - I. By my signature below, I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this application and any accompanying documents are true and correct, with full knowledge that all statements made in this application are subject to investigation and that any false or dishonest answer to any question may be grounds for denial or subsequent revocation of license or permit.

The City requires an original signature from the applicant. The applicant's signature below does not need to be notarized.

Signature: _____

Date: _____

Print Name: _____

**OPTIONAL
NEIGHBORHOOD CONTACT SHEET**

SIGNATURES of adjoining or neighboring property owners in support of the request are not required but are helpful, especially for projects in single-family residential areas. Signatures may be provided below (attach additional sheets if necessary).

NAME (PRINT)	SIGNATURE	ADDRESS	KEY # ON MAP

REVIEW of the project by the applicable Neighborhood Council is not required, but is helpful. If applicable, describe, below or separately, any contact you have had with the Neighborhood Council or other community groups, business associations and/or officials in the area surrounding the project site (attach additional sheets if necessary).

Actions Requested and Address List

Crossroads Hollywood

6701 W Sunset Blvd, Los Angeles, CA 90028

APNs: 5547-014-(026-028); 5547-019-(019, 020, 022, 023, 032, 035);
5547-020-(001-005, 007, 008, 025, 027-029, 036, 045)

Actions Requested

A. Density Bonus

Pursuant to Los Angeles Municipal Code ("LAMC") Section 12.22-A.25, the Applicant requests a Density Bonus to utilize Parking Option 1 under LAMC Section 12.22-A.25(d)(1) and to permit the following on-menu and off-menu incentives for a project providing 11% (105) Very Low Income ("VLI") units and a total of 950 dwelling units:

- On-Menu Incentive for Floor Area Ratio ("FAR") to increase the permitted FAR equal to the percentage of density Bonus for which the project is eligible, which is 35%.
- On-Menu Incentive to average FAR, density, parking, open space, and permitting vehicular access to average floor area, density, parking, and open space on two or more contiguous lots, and to permit vehicular access from a less restrictive zone to a more restrictive zone.
- Off-Menu Incentive for Additional FAR to increase the FAR by an additional 16.5109% beyond the 35% FAR incentive for an FAR of 3.81:1 averaged across the site.

B. Major Development Project Conditional Use Permit

Pursuant to LAMC Section 12.24-U.14, the Applicant requests a Major Development Project Conditional Use Permit to allow a mixed-use residential, hotel, and commercial development with a approximately 1,381,000 square feet of proposed floor area and 308 hotel rooms and 950 residential dwelling units in the C4 Zone.

C. Master Conditional Use Permit

Pursuant to LAMC Section 12.24-W.1 and 12.24-W.18, the Applicant requests a Master Conditional Use Permit to allow the sale of alcoholic beverages in connection with a total of 22 alcohol-related uses associated with the Project's proposed hotel and commercial uses and to allow eight venues to have live entertainment.

D. Site Plan Review

Pursuant to LAMC Section 16.05, the Applicant requests a Site Plan Review for a mixed-use project that results in 190,000 sf of commercial floor area, 308 hotel guestrooms, and 950 residential dwelling units.

E. Vesting Tentative Tract Map

Pursuant to LAMC Section 17.01 and 17.1, the Applicant requests a Vesting Tentative Tract Map.

Address List

- 1552 N Highland Avenue
- 1546 N Highland Avenue
- 1540 N Highland Avenue
- 6760 W Selma Avenue
- 1549 N McCadden Place
- 1543 N McCadden Place
- 6736 W Selma Avenue
- 1546 N McCadden Place
- 1542 N McCadden Place
- 6732 W Selma Avenue
- 6718 W Selma Avenue
- 6713 W Sunset Blvd
- 6709 W Sunset Blvd
- 6707 W Sunset Blvd
- 1539 N Las Palmas Avenue
- 1531 N Las Palmas Avenue
- 6685 W Sunset Blvd
- 1529 N Las Palmas Avenue
- 6665 W Sunset Blvd
- 1608 N Las Palmas Avenue
- 1600 N Las Palmas Avenue
- 6671 W Selma Avenue
- 6665 W Selma Avenue
- 6660 W Selma Avenue

Crossroads - Density Bonus Incentive Findings

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

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

California State Assembly Bill 2222 went into effect January 1, 2015, and with that Density Bonus projects filed as of that date must demonstrate compliance with the housing replacement provisions which require replacement of rental dwelling units that either exist at the time of application of a Density Bonus project, or have been vacated or demolished in the five-year period preceding the application of the project. This applies to all pre-existing units that have been subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of lower or very low income; subject to any other form of rent or price control (including Rent Stabilization Ordinance); or is occupied by Low or Very Low Income Households (i.e., income levels less than 80 percent of the area median income [AMI]). The replacement units must be equivalent in size, type, or both and be made available at affordable rent/cost to, and occupied by, households of the same or lower income category as those meeting the occupancy criteria. Prior to the issuance of any Determination for Density Bonus and Affordable Housing Incentives, the Housing and Community Investment Department (HCIDLA) is responsible for providing the Department of City Planning, along with the applicant, a determination letter addressing replacement unit requirements for individual projects. The City also requires a Land Use Covenant recognizing the conditions be filed with the County of Los Angeles prior to granting a building permit on the project. The site is vacant, and has not been developed with any dwelling units. Therefore, the replacement provisions of Assembly Bill 2222 are not applicable in this case.

Assembly Bill 2222 also increases covenant restrictions from 30 to 55 years for projects approved after January 1, 2015. This determination letter reflects these 55 year covenant restrictions.

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.

In exchange for setting aside a defined number of affordable dwelling units within a development, applicants may request up to three incentives in addition to the density bonus and parking relief which are permitted by right. 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.

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 preempted by State or Federal law.

Several California Assembly bills amended the State Density Bonus Law and took effect on January 1, 2017. The changes are reflected in the subject request, and as such, is compliant with AB 2501, AB 2556, AB 2442, and AB 1934. In accordance with AB 2501, density calculations for this project have been rounded up to the next whole number for base density, the number of bonus units, and the number of Affordable Units required to be eligible for the density bonus.

FINANCIAL ANALYSIS/PRO-FORMA

On September 26, 2016 Governor Brown Signed AB 2501, AB 2556, AB 2442, and AB 1934, which amended the State Density Bonus Law (Government Code Section 65915). The amendments took place on January 1, 2017. In particular, AB 2501 restricted the ability of local jurisdictions to require special studies unless they meet the provisions of state law. Financial pro-formas and third-party reviews are no longer required for any density bonus case filing. In addition, the 2016 changes to State Density Bonus law also modified the finding required to deny an incentive. Now a requested concession or incentive shall be granted unless the City makes a written finding, based on substantial evidence, of any of the following: a) the concession or incentive "does not result in identifiable and actual cost reductions," to provide for affordable housing costs or rents for the targeted units; b) the concession or incentive has a specific adverse impact on 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; or c) if the concession or incentive is contrary to state or federal law. Prior law allowed a concession or incentive to be denied if the City had substantial evidence that the concession or incentive was “not required in order to provide for” affordable housing costs or rents for the targeted units, or substantial evidence in support of findings “b)” or “c)” above.

DENSITY BONUS FINDINGS

1. The Project substantially complies with the applicable regulations, standards, and provisions of LAMC Section 12.22-A.25.

As conditioned by this approval, the subject property complies with all applicable provisions of LAMC Section 12.22-A.25. The Project qualifies for an initial 35% density bonus because 105 units, or 11% of the total 950 units proposed to be constructed for the Project, will be restricted for use by very low-income residents. The quantity of restricted affordable units automatically qualifies the applicant for increases in density and reduced parking requirements. In addition, since the Project sets aside 11% of its residential units for very low income occupants, it qualifies for two “on-menu” incentives from LAMC Section 12.22-A.25’s menu of concessions, which are proposed to include: (1) an increase in Floor Area Ratio (FAR) under LAMC Section 12.22 A.25(f)(4); and (2) averaging of FAR, density, parking, open space, and cross parcel vehicular access under LAMC Section 12.22 A.25(f)(8), as described further below.

- a. **Density Bonus.** LAMC Section 12.22 A.25 would allow the project to utilize a 35% density bonus because 11% (105) of the Project total number of proposed residential units are restricted as affordable very low-income units. The Project is a mixed-use development in the C4-2 zone with a Regional Center Commercial General Plan designation, which permits a maximum density of 200 square feet of lot area per dwelling unit under LAMC Section 12.22-A.18(a), and would allow a maximum of units by right – based on 363,277 square feet, or 8.3 acres, of lot area – of 1,816 dwelling units. The 35% density bonus entitles the Project to construct 2,451 dwelling units. The Project does not propose to utilize its entitlement to additional density, instead proposing a total of 950 dwelling units, which is less than its by-right density.
- b. **Automobile Parking.** LAMC Section 12.22-A.25(d) allows for the reduction of required parking for a project with the minimum number of affordable units to qualify for a density bonus. The Project applicant is requesting the use of Parking Option 1, which allows for all residential units within the Project to be calculated at one parking space for each residential unit of 0-1 bedrooms, and two parking spaces for each residential unit of 2-3 bedrooms. The Project may additionally reduce its required parking by 15% through the use of the City’s bicycle ordinance, which permit such a reduction in exchange for the installation of additional bicycle parking under the terms LAMC Section 12.21-A.4. Based on the unit mix within the development, the Project will comply with LAMC Section 12.22-A.25(d) Parking Option 1.

c. **Incentives.** Pursuant to LAMC Section 12.22-A.25(e), the proposed Project qualifies for two incentives because the development will include 11% (105 units) very low-income units. As required by Section 12.22-A.25(e)(2), the Project meets the additional eligibility criterion that is required for density bonus projects seeking additional incentives. As required and indicated in the Project's plans, the public street-facing facades of all new Project buildings will be articulated with a change of materials or a break in plane so the facades are not flat surfaces. The buildings will also be oriented toward the streets with entrances, windows, architectural features and balconies on street-facing elevations, as required. The Project is also not in a historic preservation overlay zone. Although the Project includes two designated City Historic Cultural Monuments (HCM) – the Crossroads of the World and the former Hollywood Reporter building – the density bonus incentives would not result in any alterations to either HCM. Finally, the Project is not located on a substandard street in a Hillside area or a Very High Fire Hazard Severity Zone.

- i. **Floor Area Ratio.** Pursuant to LAMC Section 12.22 A.25(f)(4), the Project is eligible for an on-menu incentive allowing an increase in FAR equal to the percentage of density bonus for which the Project is eligible, not to exceed 35%. The Project site is zoned C4-2D and C4-2D-SN. The FAR for C4-2-zoned lots is generally 6:1. However, the entirety of the Project site is subject to "D" Development Limitations that limit FAR on the site to either 2:1 or 3:1. Since the project is providing 11% very low-income affordable units, the project is eligible for a 35% density bonus, and thus an on-menu 35% increase in FAR. The Project is also requesting an off-menu Density Bonus incentive of an additional 16.5109% of FAR pursuant to LAMC Section 12.22-A.25(g)(3). With these incentives, the Project is proposing an total FAR averaged across the Project site of 3.81:1.
- ii. **Averaging of Floor Area Ratio.** Pursuant to LAMC Section 12.22-A.25(f)(8), a project may average the floor area on two or more contiguous lots if it includes a minimum 11% very low-income affordable units, all proposed uses are permitted by the underlying zone(s). The Project includes 11% (105) very low-income affordable units, all underlying uses proposed for the Project, including residential, hotel, retail, entertainment venue, and movie theater, are allowed by-right per the Project site's C4-2D and C4-2D-SN zoning. The Project site is zoned C4-2D and C4-2D-SN. The FAR for C4-2-zoned lots is generally 6:1. However, the entirety of the Project site is subject to "D" Development Limitations that limit FAR on the site to either 2:1 or 3:1. When the floor area of the existing and proposed buildings is averaged across the Project with applicable FAR incentives incorporated, the average FAR of the unified Project as a whole will be 3.81:1.

- iii. **Averaging of Density.** Pursuant to LAMC Section 12.22-A.25(f)(8), a project may average the density on two or more contiguous lots if it includes a minimum 11% very low-income affordable units, all proposed uses are permitted by the underlying zone(s). The Project includes 11% (105) very low-income affordable units, all underlying uses proposed for the Project, including residential, hotel, retail, entertainment venue, and movie theater, are allowed by-right per the Project site's C4-2D and C4-2D-SN zoning. The Project is a mixed-use development in the C4-2 zone with a Regional Center Commercial General Plan designation, which permits a maximum density of 200 square feet of lot area per dwelling unit under LAMC Section 12.22-A.18(a). Development Parcel A does not contain residential uses but rather contains hotel and retail uses, but Parcel A's 38,950 square feet of buildable area would support 195 dwelling units at the applicable density. Development Parcel B contains 873 residential units, but at 129,881 of buildable area, would only support 593 units at the applicable density. Development Parcel C does not contain residential uses but rather contains retail, entertainment, and theater uses, but Parcel C's 116,723 square feet of buildable area would support 640 dwelling units at the applicable density. Development Parcel D contains 76 residential units and at 17,890 square feet of buildable area, would support 89 units at the applicable density. Development Parcel E does not contain residential uses, but its 58,333 square feet of buildable area would support 299 dwelling units at the applicable density. Accordingly, density averaging is needed to allow Parcel B to utilize sufficient density for its proposed residential units within the context of the larger unified Project.
- iv. **Averaging of Parking.** Pursuant to LAMC Section 12.22-A.25(f)(8), a project may average the parking on two or more contiguous lots if it includes a minimum 11% very low-income affordable units, all proposed uses are permitted by the underlying zone(s). The Project includes 11% (105) very low-income affordable units, all underlying uses proposed for the Project, including residential, hotel, retail, entertainment venue, and movie theater, are allowed by-right per the Project site's C4-2D and C4-2D-SN zoning. The Project would consist of new subterranean parking garages and a new parking structure. Development Parcel A would have six levels of subterranean parking. Development Parcel B would have five levels of subterranean parking. Further, Development Parcel C would include four subterranean parking levels under Building C2. Development Parcel D would provide two levels of subterranean parking. Development Parcel E would include a parking structure with 3 levels of subterranean parking and six and one half parking levels above grade. The total vehicle parking provided for the Project is 2,283 parking spaces, which meets the applicable code requirement across the entire Project. Thus Project proposes sufficient parking as required by code for the unified Project as a whole.

- v. **Averaging of Open Space.** Pursuant to LAMC Section 12.22-A.25(f)(8), a project may average the open space on two or more contiguous lots if it includes a minimum 11% very low-income affordable units, all proposed uses are permitted by the underlying zones. The Project includes 11% (105) very low-income affordable units, all underlying uses proposed for the Project, including residential, hotel, retail, entertainment venue, and movie theater, are allowed by-right per the Project site's C4-2D and C4-2D-SN zoning. The Project proposes sufficient open space as required by code for the unified Project as a whole, but the individual open space requirement applicable to each of the Project's eleven Parcels cannot be met within each one of those individual Parcels. Accordingly, the Project must utilize averaging of open space so that the Project's total open space requirement, taking into the account the entire unified Project as a whole, can be met.

- vi. **Vehicular Access.** Pursuant to LAMC Section 12.22-A.25(f)(8), a project may permit vehicular access across contiguous parcels from less restrictive to more restrictive zones if it includes a minimum 11% very low-income affordable units, all proposed uses are permitted by the underlying zones. The Project includes 11% (105) very low-income affordable units, all underlying uses proposed for the Project, including residential, hotel, retail, entertainment venue, and movie theater, are allowed by-right per the Project site's C4-2D and C4-2D-SN zoning. The Project site includes C4-2D and C4-2D-SN zoning with differential levels of restrictiveness. Accordingly, in order to achieve proper, legally required vehicle circulation across the unified Project site, vehicular access across contiguous parcels from less restrictive to more restrictive zones is required.

2. 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 the incentives are not required in order 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 record does not contain substantial evidence that would allow the Director to make a finding that the requested incentives are not necessary to provide for affordable housing costs per State Law. The California Health & Safety Code Sections 50052.5 and 50053 define formulas for calculating affordable housing costs for very low, low, and moderate income households. Section 50052.5 addresses owner-occupied housing and Section 50053 addresses rental households. Affordable housing costs are a calculation of residential rent or ownership pricing not to exceed 30 percent gross income based on area median income thresholds dependent on affordability levels.

The list of on-menu incentives in LAMC Section 12.22-A.25 were evaluated at the time the Density Bonus Ordinance was adopted to include types of relief that reduce restrictions on the

size of the Project, in addition to providing other incentives created to promote the construction of affordable units by reducing the financial burden on developers and adding cost-generating density and FAR where developers will include required amounts of restricted affordable residential units within development projects. The City also finds that there is no substantial evidence to support the conclusion that the requested off-menu FAR incentive does not result in identifiable and actual cost reductions, particularly here where the additional FAR would provide the same financial benefits to a Project constructing the full state law level of 11% very low income units and the Project is not utilizing any benefits in terms of density. The Department of City Planning has arrived at the conclusion that the requested density bonus on-menu and off-menu incentives are required to provide for affordable housing costs because the incentives, by their nature, increase the size of the Project and result in cost benefits to an applicant that is constructing 105 new affordable units at the very low income level. The requested incentives (an increase in FAR and an averaging of FAR, density, parking, open space, and vehicular access) are expressed in LAMC Section 12.22-A.25(f) and LAMC Section 12.22-A.25(g)(3), and permit exceptions to zoning requirements that result in building design or construction efficiencies and development bonuses that together provide financial support incentivizing and enabling development projects that take on the cost burden of constructing affordable housing units.

The requested incentives allow the developer to increase the Project's FAR and utilize cross-site averaging so that units can be built across the various parcels and so that the Project as a whole meets the LAMC, not just parcel by parcel. Without the increase in FAR to 3.81:1 and without FAR averaging, fewer units would have to be provided and the density and FAR could not be spread across the Project site as a whole. Any of this would, by its nature, significantly impact the viability of the Project.

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

There is no evidence that the proposed incentives will have a specific adverse impact. A "specific adverse impact" is defined as, "a significant, quantifiable, direct and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete" (LAMC Section 12.22-A.25(h)). 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 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 involves the preparation of an Initial Study and an Environmental Impact Report. It is anticipated that mitigation measures will reduce impacts to less than significant where feasible. However, there is no substantial evidence that the proposed Project's incentives would have a specific adverse impact on public health and safety, or on designated HCMs or property listed in the California Register of Historic Resources.



Alejandro Huerta <alejandro.huerta@lacity.org>

Updated Application

1 message

Casper, Kyndra <Kyndra.Casper@dlapiper.com>
To: Alejandro Huerta <alejandro.huerta@lacity.org>

Mon, Apr 16, 2018 at 9:59 AM

Alejandro, please find the updated application materials. Let me know if you need anything else.

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