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(213) 978-1300

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EXECUTIVE OFFICES
200 N. SPRING STREET, ROOM 525
LOS ANGELES, CA 90012-4801
(213) 978-1271

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DIRECTOR'S DETERMINATION TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM

May 18, 2023

Applicant/Owner

Garrett Lee
1047 Crenshaw, LP
3470 Wilshire Boulevard
Suite 700
Los Angeles, CA 90010

Representative

Gary Benjamin
Alchemy Planning + Land Use
4470 West Sunset Boulevard
Suite 547
Los Angeles, CA 90027

Case No. DIR-2022-9089-TOC-HCA
CEQA: ENV-2022-9090-CE
Location: 1041 – 1047 South Crenshaw
Boulevard

Council District: 10 - Heather Hutt
Neighborhood Council: Olympic Park
Community Plan Area: Wilshire
Land Use Designation: Neighborhood Office Commercial
Zone: C2-1-O
Legal Description: Lots 57-58; N.C. Kelley's
Montview Tract

Last Day to File an Appeal: June 2, 2023

DETERMINATION – Transit Oriented Communities Affordable Housing Incentive Program

Pursuant to the Los Angeles Municipal Code (LAMC) Section 12.22-A,31, I have reviewed the proposed project and as the designee of the Director of City Planning, I hereby:

1. **Determine** that based on the whole of the administrative record that the project is exempt from California Environmental Quality Act (CEQA) pursuant to Article 19, Section 15332, Class 32 of the CEQA Guidelines, and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines, Section 15300.2 applies;
2. **Approve** a 70% increase in density consistent with the provisions of the Transit Oriented Communities Affordable Housing Incentive Program along with the following three (3) Additional Incentives for a Tier 3 project with a total of 60 dwelling units, including six (6) units reserved for Extremely Low Income (ELI) Household occupancy for a period of 55 years;
 - a. **Setbacks.** To permit any or all of the yard requirements for the RAS3 zone per LAMC 12.10.5;
 - b. **Transitional Height.** To permit a maximum building height that is stepped-back at a 45-degree angle as measured from a horizontal plane originating 25 feet above grade; and

c. **Open Space.** To permit up to a 25% decrease in the required open space.

3. **Adopt** the attached Findings.

CONDITIONS OF APPROVAL

Pursuant to LAMC Sections 12.22-A,31, the following conditions are hereby imposed upon the use of the subject property:

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, Expedited Processing Section, 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 Los Angeles Municipal Code or the project conditions.
2. **Base Incentives.**
 - a. **Residential Density.** The project shall be limited to a maximum density of 60 residential units, including On-site Restricted Affordable Units.
 - b. **Floor Area Ratio (FAR).** The project is permitted a maximum FAR of 3.75 to 1.
 - c. **Parking.**
 - i. **Automobile Parking.** The project shall provide a maximum 0.5 automobile parking spaces per unit consistent with LAMC Section 12.22-A.31.
 - ii. **Bicycle Parking.** Bicycle parking shall be provided in compliance with LAMC Section 12.21-A.16 and to the satisfaction of the Department of Building and Safety. No variance from the bicycle parking requirements has been requested or granted herein.
 - iii. **Adjustment of Parking.** In the event that the number of Restricted Affordable Units should increase or the composition of such 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 pursuant to LAMC Section 12.22-A,25.
 - iv. **Unbundling.** Required parking may be sold or rented separately from the units, with the exception of all Restricted Affordable Units which shall include any required parking in the base rent or sales price, as verified by the Los Angeles Housing Department (LAHD).
3. **Additional Incentives.**
 - a. **Setbacks.** The project shall be permitted any or all of the yard requirements for the RAS3 zone per LAMC 12.10.5.
 - b. **Transitional Height.** The project shall be permitted stepped-back at a 45 degree angle as measured from a horizontal plane originating 25 feet above grade at the property line of the adjoining lot in the RW1 Zone or more restrictive zone or Specific Plan subarea.

- c. **Open Space.** The project shall be permitted a maximum of 25% reduction in the required open space.
4. **On-site Restricted Affordable Units.** Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of LAHD to make 10 percent of the total number of dwelling units, shall be designated for Extremely Low Income Households, as defined by the Los Angeles Housing Department (LAHD) and California Government Code Section 65915(c)(2) for sale or rental as determined to be affordable to such households by LAHD for a period of 55 years. In the event the applicant reduces the proposed density of the project, the number of required set-aside affordable units may be adjusted, consistent with LAMC Section 12.22-A,31, to the satisfaction of LAHD, and in consideration of the project's SB 8 Determination. 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 the Guidelines for the Affordable Housing Incentives Program adopted by the City Planning Commission and with any monitoring requirements established by the LAHD. Refer to the Density Bonus Legislation Background section of this determination.

Housing replacement units required pursuant to SB 8 may be used to satisfy the On-site Restricted Affordable Units provided such units meet the income levels, to the satisfaction of LAHD.

5. **Changes in On-site Restricted Units.** Deviations that increase the number of On-site Restricted Units or that change the composition of units or change parking numbers shall be consistent with LAMC Section 12.22-A,31.
6. **Housing Replacement Requirements.** Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of LAHD to replace the one (1) existing unit with the equivalent type; one (1) unit restricted to Extremely Low Income Households, for sale or rental as determined to be affordable to such households by LAHD for a period of 55 years. Enforcement of the terms of said covenant shall be the responsibility of LAHD. 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 the Guidelines for the Affordable Housing Incentives Program adopted by the City Planning Commission and with any monitoring requirements established by the LAHD. Refer to the Density Bonus Legislation Background section of this determination.

On-site Restricted Affordable Units may be used to satisfy the housing replacement units required pursuant to SB 8 provided such units meet the income levels, to the satisfaction of LAHD.

Design Conformance Conditions

7. Landscaping.

- a. 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.
- b. All planters containing trees shall have a minimum depth of 48 inches (48"), including those located on the rooftop area or above a parking garage.

8. **Mechanical Equipment.** All mechanical equipment on the roof shall be screened from view. The transformer, if located in the front yard, shall be screened with landscaping to the satisfaction of LADWP.
9. **Maintenance.** The subject property (including all trash storage areas, associated parking facilities, sidewalks, yard areas, parkways, and exterior walls along the property lines) shall be maintained in an attractive condition and shall be kept free of trash and debris.
10. **Lighting.** 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.
11. **Solar.** The project shall comply with LAMC Sections 99.04.211 and 99.05.211, to the satisfaction of the Department of Building and Safety.
12. **Electric Vehicle Parking.** All electric vehicle charging spaces (EV Spaces) and electric vehicle charging stations (EVCS) shall comply with the regulations outlined in Section 99.04.106 of Article 9, Chapter IX of the LAMC.

Administrative Conditions

13. **Final Plans.** Prior to the issuance of any building permits for the project by the Department of Building & Safety, the applicant shall submit all final construction plans that are awaiting issuance of a building permit by the Department of Building & 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 & 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.
14. **Covenant.** Prior to the effectuation of this grant, a covenant acknowledging and agreeing to comply with all the terms and conditions established herein shall be recorded in the County Recorder's Office. The agreement (standard master covenant and agreement form CP-6770) shall run with the land and shall be binding on any subsequent owners, heirs or assigns. The agreement with the conditions attached must be submitted to the Department of City Planning for approval before being recorded. After recordation, a certified copy bearing the Recorder's number and date shall be provided for inclusion in case file.
15. **Notations on Plans.** Plans submitted to the Department of Building & 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.
16. **Approval, Verification and Submittals.** Copies of any approvals, guarantees or verification of consultations, review of approval, plans, etc., as may be required by the subject conditions, shall be provided to the Department of City Planning prior to clearance of any building permits, for placement in the subject file.
17. **Code Compliance.** Use, area, height, and yard regulations of the zone classification of the subject property shall be complied with, except where granted conditions differ herein.
18. **Department of Building & 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 & 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 & 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.

19. **Department of Water and Power.** Satisfactory arrangements shall be made with the Los Angeles Department of Water and Power (LADWP) for compliance with LADWP's Rules Governing Water and Electric Service. Any corrections and/or modifications to plans made subsequent to this determination in order to accommodate changes to the project due to the under-grounding of utility lines, that are outside of substantial compliance or that affect any part of the exterior design or appearance of the project as approved by the Director, 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.
20. **Enforcement.** Compliance with and the intent of these conditions shall be to the satisfaction of the Department of City Planning.
21. **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.
22. **Expedited Processing Section Fee.** Prior to the clearance of any conditions, the applicant shall show proof that all fees have been paid to the Department of City Planning, Expedited Processing Section.
23. **Indemnification and Reimbursement of Litigation Costs.**

Applicant shall do all of the following:

- a. 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.
- b. Reimburse the City for any and all costs incurred in defense of an action related to or arising out, in whole or in part, of 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.
- c. 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 \$50,000. 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 (b).

- d. 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 (b).
- e. 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.

PROJECT BACKGROUND

The subject property is comprised of two (2) lots measuring approximately 14,999 square feet (0.344 acres) with a frontage of 100 feet along Crenshaw Boulevard. The subject property is currently vacant land. The subject property is zoned C2-1-O within the Wilshire Community Plan Area with a Neighborhood Office Commercial land use designation. The project site is located with Transit Oriented Communities (TOC), Tier 3. The site is located within a Transit Priority Area in the City of Los Angeles, an Urban Agriculture Incentive Zone and is 2.09 kilometers from the Puente Hills Blind Thrust Fault.

The proposed project is the construction, use, and maintenance of a new, seven-story, 63,792 square-foot residential building with 60 dwelling units, including six (6) dwelling units set aside for affordable housing (or 10% of the proposed density) the six (6) units will be reserved is for Extremely Low Income (ELI) Households. The building will be constructed with five (5) residential levels above one (1) ground floor level of residential recreation rooms, lobby and leasing office and one (1) above ground level of parking. The project includes 21 studio units, 37 one-bedroom units, two (2) two-bedroom units, and a total of 4,575 square feet of open space for residents.

The project will provide a total of 39 automobile parking spaces, and 48 long-term and five (5) short-term bicycle parking spaces. Vehicular access to the site is provided via one two-way driveway accessible from Crenshaw Boulevard. Pedestrian access is located on Crenshaw Boulevard.

The project is located in Tier 3 of the Transit Oriented Communities Incentive Areas and therefore, pursuant to the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines), by setting aside 10 percent of the total number of dwelling units for Extremely Low Income Households, the project is eligible for the Base Incentives (Residential Density, Floor Area Ratio (FAR) and Automobile Parking); and by setting aside more than 11% of the base density for households at the Extremely Low Income level the project is entitled to three (3) Additional Incentives.

The Additional Incentives requested are found on the Menu of Incentives and include reduction in setbacks or yards and reduction in the required open space. The project includes three (3) incentives; 1) any or all of the yard requirements for the RAS3 zone, 2) transitional height pursuant to the TOC Guidelines, and 3) up to a 25% decrease in the required open space.

SURROUNDING PROPERTIES

Surrounding uses are within residential zones and are generally developed with commercial and residential structures. The abutting property to the north is zoned C2-1-O and is improved with a commercial structure. The property to east, across Crenshaw Boulevard is zoned C2-1-O and is developed with a commercial structure. The abutting property to the south, is zoned C2-1-O and is improved with a commercial building. The abutting property to the west is zoned R1-1-O-HPOZ and is improved with a single-family residential structure

STREETS

Crenshaw Boulevard, abutting the property to the east, is designated as an Avenue II, dedicated to a Right-of-Way width of 86 feet, improved with asphalt roadway, curb, gutter, and concrete sidewalks.

PUBLIC TRANSIT

The Project Site is within 1,500 feet of the intersection of the Metro Route 28 NextGen Tier 1 Rapid and the Metro Route 210 NextGen Tier 1 Rapid bus lines at the intersection of Olympic Boulevard and Crenshaw Boulevard.

TRANSIT ORIENTED COMMUNITIES

Pursuant to the voter-approved Measure JJJ, Los Angeles Municipal Code (LAMC) 12.22-A,31 was added to create the Transit Oriented Communities (TOC) Affordable Housing Incentive Program (TOC Program). The Measure requires the Department of City Planning to create TOC Affordable Housing Incentive Program Guidelines (TOC Guidelines) for all Housing Developments located within a ½-mile (or 2,640-foot) radius of a Major Transit Stop. These Guidelines provide the eligibility standards, incentives, and other necessary components of the TOC Program consistent with LAMC 12.22-A,31.

A qualifying TOC Project shall be granted Base Incentives with regard to increased residential density, increased floor area ratio, and reduced automobile parking requirements. In addition to these Base Incentives, an eligible project may be granted Additional Incentives with regard to yards and setbacks, open space, lot coverage, lot width, averaging, density calculation, height, and developments in public facilities zones. Up to three (3) Additional Incentives may be granted in exchange for providing the requisite set aside of affordable housing as enumerated in the TOC Guidelines.

The proposed project is located less than 2,640 feet from a Major Transit Stop, the Crenshaw Boulevard and Olympic Boulevard intersection. Furthermore, as the project will set aside 10% of the total number of units for Extremely Low Income and meets all other eligibility requirements of the TOC Affordable Housing Incentive Program, the project is entitled to the Base Incentives.

In addition, as the Crenshaw Boulevard and Olympic Boulevard intersection is approximately 1,500 feet from the subject property the project is located within Tier 3 of the TOC Guidelines. Therefore, as the project will set aside 11% of the base number of units for Extremely Low Income Households, the project is entitled to three (3) Additional Incentives. The applicant is requesting three (3) Additional Incentives.

Given the above, the proposed project includes the following Base and Additional Incentives for a qualifying Tier 3 Project:

Tier 3 Base Incentives:

- a. **Density:** The subject property is zoned C2-1-O which allows a residential density of one (1) dwelling unit per 400 square feet of lot area. At 14,999 square feet, the property has a base density of 38 units (14,999 square feet of lot area divided by 400 square feet equals 37.4975 - rounded up to 38). Pursuant to the TOC Guidelines, projects within Tier 3 which are eligible for the Base Incentives are eligible for a 70% density increase from the base density. Therefore, the project is permitted a maximum of 65 total units. The project proposes a total of 60 residential units.
- b. **Floor Area Ratio (FAR):** As the subject property is zoned C2-1-O, located in Tier 3 and meets the eligibility criteria in the TOC Guidelines for the Base Incentives, the project is allowed a percentage increase of the FAR up to 50% or a 3.75:1 FAR, whichever is

greater. The C2-1-O zone allows for a 1.5:1 FAR. Therefore, the project is permitted a maximum FAR of 3.75:1. As proposed, the project has a maximum FAR of 3.75 to 1.

- c. **Parking:** Pursuant to LAMC Section 12.21-A,4, the proposed 60-unit project would be required to provide a total of 62 automobile parking spaces. As an Eligible Housing Development, the project is entitled to provide 0.5 parking space per unit (or 30 parking spaces). As proposed, the project is providing a total of 39 automobile parking spaces.

Tier 3 Additional Incentives:

Pursuant to the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines), the Tier 3 Project is eligible for and has been granted three (3) Additional Incentives in order to construct the proposed project:

- a. **Setbacks/Yards.** Eligible Housing Developments may utilize any or all of the yard requirements for the RAS3 zone per LAMC 12.10.5. The Menu of Incentives allows for the use of any or all of the yard requirements for the RAS3 zone as one (1) incentive for a project located in a Tier 3 TOC area. In this case, the project would be required to provide side yards conforming to the requirements of the C2-1-O Zone. The project as proposed, will provide yard requirements consistent with the RAS3 zone.
- b. **Transitional Height.** Eligible Housing Developments in Tier 3 the building height limit shall be stepped-back at a 45-degree angle as measured from a horizontal plane originating 25 feet above grade at the property line of the adjoining lot in the RW1 Zone or more restrictive zone or Specific Plan subarea. As proposed, the project is in conformance with this Additional Incentive.
- c. **Open Space.** Eligible Housing Developments may utilize up to a 25% decrease in the required open space. The Menu of Incentives allows for the reduction open space as one (1) incentive for a project located in a Tier 3 TOC area. In this case, the project would be required to provide a minimum of 6,100 square feet of open space, with the 25% decrease, the project would be required to provide 4,575 square feet of open space. The project as proposed, will provide 4,575 square feet of open space.

HOUSING REPLACEMENT

Pursuant to LAMC Section 12.22-A,31(b)(1), a Housing Development located within a Transit Oriented Communities (TOC) Affordable Housing Incentive Area shall be eligible for TOC Incentives if it meets any applicable replacement requirements of California Government Code Section 65915(c)(3) (California State Density Bonus Law).

Assembly Bill 2222 (AB 2222) amended the State Density Bonus Law to require applicants of density bonus projects filed as of January 1, 2015, to 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; or occupied by Low or Very Low Income Households.

On September 28, 2016, Governor Brown signed Assembly Bill 2556 (AB 2556) which further amended the State Density Bonus Law. The amendments took effect on January 1, 2017. AB

2556 clarifies the implementation of the required replacement of affordable units in Density Bonus projects, first introduced by AB 2222. AB 2556 further defines "equivalent size" to mean that as a whole, the new units must contain at least the same total number of bedrooms as the units being replaced.

In addition to the requirements of California State Density Bonus Law, on October 9, 2019, the Governor signed into law the Housing Crisis Act of 2019 (SB 330). SB 330 creates new state laws regarding the production, preservation and planning for housing, and establishes a statewide housing emergency until January 1, 2025. During the duration of the statewide housing emergency, SB 330, among other things, creates new housing replacement requirements for Housing Development Projects by prohibiting the approval of any proposed housing development project on a site that will require the demolition of existing residential dwelling units or occupied vacant "Protected Units" unless the proposed housing development project replaces those units.

The Housing Crisis Act of 2019, as amended by SB 8 (California Government Code Section 66300 et seq.), prohibits the approval of any proposed housing development project on a site that will require demolition of existing dwelling units or occupied or vacant "Protected Units" unless the project replaces those units. The project shall provide at least as many residential dwelling units as the greatest number of residential dwelling units that existed on the property within the past 5 years. Additionally, the project must also replace all existing or demolished "Protected Units".

The subject property is currently vacant land. The Los Angeles Housing Department (LAHD) has determined, per the Housing Crisis Act of 2019 (SB 8) Replacement Unit Determination, dated January 18, 2023, that one (1) unit is subject to replacement pursuant to the requirements of SB 8. The Determination made by LAHD requires one (1) unit be replaced with equivalent type; one (1) unit restricted to Extremely Low Income Households. The project as proposed will provide six (6) units restricted to Extremely Low Income Households.

TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM ELIGIBILITY REQUIREMENTS

To be an eligible Transit Oriented Communities (TOC) Housing Development, a project must meet the Eligibility criteria set forth in Section IV of the Transit Oriented Communities Affordable Housing Incentive Program Guidelines (TOC Guidelines). A Housing Development located within a TOC Affordable Housing Incentive Area shall be eligible for TOC Incentives if it meets all of the following requirements, **which it does**:

1. ***On-Site Restricted Affordable Units.*** *In each Tier, a Housing Development shall provide On-Site Restricted Affordable Units at a rate of at least the minimum percentages described below. The minimum number of On-Site Restricted Affordable Units shall be calculated based upon the total number of units in the final project.*
 - a. *Tier 1 - 8% of the total number of dwelling units shall be affordable to Extremely Low Income (ELI) income households, 11% of the total number of dwelling units shall be affordable to Very Low (VL) income households, or 20% of the total number of dwelling units shall be affordable to Lower Income households.*
 - b. *Tier 2 - 9% ELI, 12% VL or 21% Lower.*
 - c. *Tier 3 - 10% ELI, 14% VL or 23% Lower.*
 - d. *Tier 4 - 11% ELI, 15% VL or 25% Lower.*

The project site is located within a Tier 3 Transit Oriented Communities Affordable Housing Incentive Area. As part of the proposed development, the project is required to

reserve six (6) on-site dwelling unit for Extremely Low Income Households which is 10% of the 60 total dwelling units proposed as part of the Housing Development. As such, the project meets the eligibility requirement for On-Site Restricted Affordable Units.

2. **Major Transit Stop.** *A Housing Development shall be located on a lot, any portion of which must be located within 2,640 feet of a Major Transit Stop, as defined in Section II and according to the procedures in Section III.2 of the TOC Guidelines.*

As defined in the TOC Guidelines, a Major Transit Stop is a site containing a rail station or the intersection of two or more bus routes with a service interval of 15 minutes or less during the morning and afternoon peak commute periods. The stations or bus routes may be existing, under construction or included in the most recent Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP). The subject property is located less than 2,640 feet from a Major Transit Stop, the Crenshaw Boulevard and Olympic Boulevard intersection. Therefore, the project meets the eligibility requirement for proximity to a Major Transit Stop.

3. **Housing Replacement.** *A Housing Development must meet any applicable housing replacement requirements of California Government Code Section 65915(c)(3), as verified by the Los Angeles Housing Department (LAHD) prior to the issuance of any building permit. Replacement housing units required per this section may also count towards other On-Site Restricted Affordable Units requirements.*

Pursuant to the Determination made by LAHD dated January 18, 2023, and attached to the subject case file, one (1) unit is subject to replacement under the requirements of SB 8 for the subject project. The proposed project will provide six (6) units set aside for Extremely Low Income households and will comply with all conditions requiring compliance with the City's Rent Stabilization Ordinance. As such, the project meets the eligibility requirement for providing replacement housing consistent with California Government Code Section 65915(c)(3).

4. **Other Density or Development Bonus Provisions.** *A Housing Development shall not seek and receive a density or development bonus under the provisions of California Government Code Section 65915 (state Density Bonus law) or any other State or local program that provides development bonuses. This includes any development bonus or other incentive granting additional residential units or floor area provided through a General Plan Amendment, Zone Change, Height District Change, or any affordable housing development bonus in a Transit Neighborhood Plan, Community Plan Implementation Overlay (CPIO), Specific Plan, or overlay district.*

There are no additional requests for density or development bonuses under the provisions of the State Density Bonus Law or any other State or local program that provides development bonuses, including, but not limited to a General Plan Amendment, Zone Change, Height District Change, or any affordable housing development bonus in a Transit Neighborhood Plan, Community Implementation Overlay (CPIO), Specific Plan, or overlay district. Therefore, the project meets this eligibility requirement.

5. **Base Incentives and Additional Incentives.** *All Eligible Housing Developments are eligible to receive the Base Incentives listed in Section VI of the TOC Guidelines. Up to three Additional Incentives listed in Section VII of the TOC Guidelines may be granted based upon the affordability requirements described below. For the purposes of this section below "base units" refers to the maximum allowable density allowed by the zoning,*

prior to any density increase provided through these Guidelines. The affordable housing units required per this section may also count towards the On-Site Restricted Affordable Units requirement in Section IV.1 above (except Moderate Income units).

- c. Three Additional Incentives may be granted for projects that include at least 11% of the base units for Extremely Low Income Households, at least 15% of the base units for Very Low Income Households, at least 30% of the base units for Lower Income Households, or at least 30% of the base units for persons and families of Moderate Income in a common interest development.*

As an Eligible Housing Development, the project is eligible to receive the Base Incentives listed in the TOC Guidelines. The project may be granted three (3) Additional Incentives for reserving at least 11% of the base units for Extremely Low Income Households. (Base units are the maximum allowable density allowed by the zone, prior to any requests for increase in density provided by the Guidelines.) The project is requesting three (3) Additional Incentives: 1) any or all of the yard requirements for the RAS3 zone, 2) transitional height pursuant to the TOC Guidelines, and 3) up to a 25% decrease in the required open space. The subject site has a base density of 38 units. The project is setting aside six (6) units for Extremely Low Income Households which equates to more than 11% of the 38 base units permitted through the underlying zoning of the site. Therefore, the project meets the eligibility requirement for Base and Additional Incentives because the project will reserve at least 11% of the base units for Extremely Low Income Households.

6. ***Projects Adhering to Labor Standards.*** *Projects that adhere to the labor standards required in LAMC 11.5.11 may be granted two Additional Incentives from the menu in Section VII of these Guidelines (for a total of up to five Additional Incentives).*

The project is not seeking additional incentives beyond the three (3) permitted as a means of reserving at least 11% of the base units for Extremely Low Income Households. The project request includes three (3) additional incentives. Therefore, the project is not required to adhere to the labor standards required in LAMC Section 11.5.11; this eligibility requirement does not apply.

7. ***Multiple Lots.*** *A building that crosses one or more lots may request the TOC Incentives that correspond to the lot with the highest Tier permitted by Section III above.*

The proposed building will be on two (2) lots that are located within Tier 3 of the Transit Oriented Communities Affordable Housing Incentive Area. Therefore, this eligibility requirement does not apply.

8. ***Request for a Lower Tier.*** *Even though an applicant may be eligible for a certain Tier, they may choose to select a Lower Tier by providing the percentage of On-Site Restricted Affordable Housing units required for any lower Tier and be limited to the Incentives available for the lower Tier.*

The applicant has not selected a Lower Tier and is not providing the percentage of On-Site Restricted Affordable Housing units required for any lower Tier. Therefore, this eligibility requirement does not apply.

9. **100% Affordable Housing Projects.** *Buildings that are Eligible Housing Developments that consist of 100% On-Site Restricted Affordable units, exclusive of a building manager's unit or units shall, for purposes of these Guidelines, be eligible for one increase in Tier than otherwise would be provided.*

The project does not consist of 100 percent On-Site Restricted Affordable units. It is not eligible for or seeking an increase in Tier. As such, this eligibility requirement does not apply.

TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM /AFFORDABLE HOUSING INCENTIVES COMPLIANCE FINDINGS

Pursuant to LAMC Section 12.22-A,31(e), the Director of Planning shall review a Transit Oriented Communities Affordable Housing Incentive Program project application in accordance with the procedures outlined in LAMC Section 12.22-A,25(g).

1. **Pursuant to Section 12.22 A.25(g)(2)(i)(c) of the LAMC and Section 65915(3) of the California Government Code, the Director shall approve a density bonus and requested incentive(s) unless the director finds that.**

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

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 a percent gross income based on area median income thresholds dependent on affordability levels. There was no substantial evidence in the record 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 list of base incentives in the Transit Oriented Communities Guidelines were pre-evaluated at the time the Transit Oriented Communities Affordable Housing Incentive Program Ordinance was adopted to include various types of relief that minimize restrictions on the size of the project. The base incentives are required to provide for affordable housing costs because the incentives by their nature may result in increasing the scale of the project. The additional incentives requested to utilize any or all of the yard requirements for the RAS3 zone, transitional height for a Tier 3 project pursuant to the TOC Guidelines to allow the building height limit shall be stepped-back at a 45-degree angle as measured from a horizontal plane originating 25 feet above grade at the property line of the adjoining lot in the RW1 Zone or more restrictive zone or Specific Plan subarea and a 25 percent reduction in the required open space would result in building design or construction efficiencies that provide for affordable housing costs. As a result of the prescribed incentives, it is likely that the Director will always conclude that the incentives are required for such projects to provide for affordable housing units as identified by the TOC Guidelines.

Setbacks/Yards. The requested use of the yards/setbacks consistent with the RAS3 zone is expressed in the Menu of Incentives in the Transit Oriented Communities Guidelines. Eligible Housing Developments located in a commercial zone may utilize any or all of the yard requirements for the RAS3 zone per LAMC 12.10.5. The Menu of Incentives allows for the use of any or all of the yard requirements for the RAS3 zone to count as one (1) incentive for a project located in a Tier 3 TOC area. In this case, the project would be required to provide side yards conforming to the requirements of the C2 Zone. The project as proposed, will provide yards consistent with the RAS3 zone.

Transitional Height. The requested transitional height is expressed in the Menu of Incentives in the Transit Oriented Communities Guidelines. An Eligible Housing Development may select the following transitional height requirements in lieu of those found in LAMC 12.21.1 A.10. Tier 3 - the building height limit shall be stepped-back at a 45 degree angle as measured from a horizontal plane originating 25 feet above grade at the property line of the adjoining lot in the RW1 Zone or more restrictive zone or Specific Plan subarea. This incentive will result in a building design that provides for affordable housing costs and supports the applicant's decision to set aside six (6) dwelling units for Extremely Low Income Households.

Open Space. The requested use of a 25 percent reduction in the required open space is expressed in the Menu of Incentives in the Transit Oriented Communities Guidelines. Eligible Housing Developments located in a residential zone may utilize up to a 25 percent decrease in the open space requirements. The Menu of Incentives allows for the reduction in open space to count as one (1) incentive for a project located in a Tier 3 TOC area. The project is requesting one (1) incentive. In this case, the project would be required to provide a minimum of 6,100 square feet of open space, with the 25% decrease, the project would be required to provide 4,575 square feet of open space. The project as proposed, will provide 4,575 square feet of open space.

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

There has been no evidence provided that indicated that the proposed incentives 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. 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 project does not involve a contributing structure in a designated Historic Preservation Overlay Zone or on the City of Los Angeles list of Historical-Cultural Monuments. The proposed project and potential impacts were analyzed in accordance with the California Environmental Quality Act (CEQA) Guidelines and the project was determined to be exempt from CEQA pursuant to Article 19, Class 32 of the CEQA Guidelines.

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, or on property listed in the California Register of Historic Resources.

c. The incentives/waivers are contrary to state or federal law.

There is no substantial evidence in the record that the proposed incentives/waivers are contrary to state or federal law.

ADDITIONAL MANDATORY FINDINGS

2. The National Flood Insurance Program rate maps, which are a part of the Flood Hazard Management Specific Plan adopted by the City Council by Ordinance No. 172,081, have been reviewed and it has been determined that this project is located outside of a flood zone.
3. It has been determined based on the whole of the administrative record that the project is exempt from CEQA pursuant to State CEQA Guidelines, Section 15332 (Class 32), and there is no substantial evidence demonstrating that an exception to a categorical exemption pursuant to CEQA Guidelines, Section 15300.2, applies.

The proposed project qualifies for a Class 32 Categorical Exemption because it conforms to the definition of "In-fill Projects". The project can be characterized as in-fill development within urban areas for the purpose of qualifying for Class 32 Categorical Exemption as a result of meeting five established conditions and if it is not subject to an Exception that would disqualify it. The Categorical Exception document prepared by Department of City Planning and attached to the subject case file provides the full analysis and justification for project conformance with the definition of a Class 32 Categorical Exemption.

TRANSIT ORIENTED COMMUNITIES AFFORDABLE HOUSING INCENTIVE PROGRAM BACKGROUND

Measure JJJ was adopted by the Los Angeles City Council on December 13, 2016. Section 6 of the Measure instructed the Department of City Planning to create the Transit Oriented Communities (TOC) Affordable Housing Incentive Program, a transit-based affordable housing incentive program. The measure required that the Department adopt a set of TOC Guidelines, which establish incentives for residential or mixed-use projects located within ½ mile of a major transit stop. Major transit stops are defined under existing State law.

The TOC Guidelines, adopted September 22, 2017, establish a tier-based system with varying development bonuses and incentives based on a project's distance from different types of transit. The largest bonuses are reserved for those areas in the closest proximity to significant rail stops or the intersection of major bus rapid transit lines. Required affordability levels are increased incrementally in each higher tier. The incentives provided in the TOC Guidelines describe the range of bonuses from particular zoning standards that applicants may select.

TIME LIMIT – OBSERVANCE OF CONDITIONS

All terms and conditions of the Director's Determination shall be fulfilled before the use may be established. Pursuant to LAMC Section 12.25-A,2, the instant authorization is further conditional upon the privileges being utilized within **three years** after the effective date of this determination and, if such privileges are not utilized, building permits are not issued, or substantial physical

construction work is not begun within said time and carried on diligently so that building permits do not lapse, the authorization shall terminate and become void.

The applicant's attention is called to the fact that this grant is not a permit or license and that any permits and licenses required by law must be obtained from the proper public agency. Furthermore, if any condition of this grant is violated or not complied with, then the applicant or his successor in interest may be prosecuted for violating these conditions the same as for any violation of the requirements contained in the Municipal Code, or the approval may be revoked.

Verification of condition compliance with building plans and/or building permit applications are done at the Development Services Center of the Department of City Planning at either Figueroa Plaza in Downtown Los Angeles, West Los Angeles Development Services Center, or the Marvin Braude Constituent Service Center in the Valley. In order to assure that you receive service with a minimum amount of waiting, applicants are encouraged to schedule an appointment with the Development Services Center either by calling (213) 482-7077, (310) 231-2901, (818) 374-5050, or through the Department of City Planning website at <http://cityplanning.lacity.org>. The applicant is further advised to notify any consultant representing you of this requirement as well.

Section 11.00 of the LAMC states in part (m): "It shall be unlawful for any person to violate any provision or fail to comply with any of the requirements of this Code. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Code shall be guilty of a misdemeanor unless that violation or failure is declared in that section to be an infraction. An infraction shall be tried and be punishable as provided in Section 19.6 of the Penal Code and the provisions of this section. Any violation of this Code that is designated as a misdemeanor may be charged by the City Attorney as either a misdemeanor or an infraction. Every violation of this determination is punishable as a misdemeanor unless provision is otherwise made and shall be punishable by a fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more than six months, or by both a fine and imprisonment."

TRANSFERABILITY

This determination runs with the land. In the event the property is to be sold, leased, rented or occupied by any person or corporation other than yourself, it is incumbent that you advise them regarding the conditions of this grant. If any portion of this approval is utilized, then all other conditions and requirements set forth herein become immediately operative and must be strictly observed.

APPEAL PERIOD - EFFECTIVE DATE

This grant is not a permit or license and any permits and/or licenses required by law must be obtained from the proper public agency. If any Condition of this grant is violated or not complied with, then the applicant or their successor in interest may be prosecuted for violating these Conditions the same as for any violation of the requirements contained in the Los Angeles Municipal Code (LAMC).

This determination will become effective after the end of appeal period date on the first page of this document, unless an appeal is filed with the Department of City Planning. An appeal application must be submitted and paid for before 4:30 PM (PST) on the final day to appeal the determination. Should the final day fall on a weekend or legal City holiday, the time for filing an appeal shall be extended to 4:30 PM (PST) on the next succeeding working day. Appeals should be filed early to ensure the Development Services Center (DSC) staff has adequate time to review and accept the documents, and to allow appellants time to submit payment.

An appeal may be filed utilizing the following options:

Online Application System (OAS): The OAS (<https://planning.lacity.org/oas>) allows entitlement appeals to be submitted entirely electronically by allowing an appellant to fill out and submit an appeal application online directly to City Planning’s DSC, and submit fee payment by credit card or e-check.

Drop off at DSC. Appeals of this determination can be submitted in-person at the Metro or Van Nuys DSC locations, and payment can be made by credit card or check. City Planning has established drop-off areas at the DSCs with physical boxes where appellants can drop off appeal applications; alternatively, appeal applications can be filed with staff at DSC public counters. Appeal applications must be on the prescribed forms, and accompanied by the required fee and a copy of the determination letter. Appeal applications shall be received by the DSC public counter and paid for on or before the above date or the appeal will not be accepted.

Forms are available online at <http://planning.lacity.org/development-services/forms>. Public offices are located at:

Metro DSC
(213) 482-7077
201 N. Figueroa Street
Los Angeles, CA 90012
planning.figcounter@lacity.org

Van Nuys DSC
(818) 374-5050
6262 Van Nuys
Boulevard
Van Nuys, CA 91401
planning.mbc2@lacity.org

West Los Angeles DSC (CURRENTLY
CLOSED)
(310) 231-2901
1828 Sawtelle Boulevard
West Los Angeles, CA 90025
planning.westla@lacity.org

City Planning staff may follow up with the appellant via email and/or phone if there are any questions or missing materials in the appeal submission, to ensure that the appeal package is complete and meets the applicable LAMC provisions.

If you seek judicial review of any decision of the City pursuant to California Code of Civil Procedure Section 1094.5, the petition for writ of mandate pursuant to that section must be filed no later than the 90th day following the date on which the City’s decision became final pursuant to California Code of Civil Procedure Section 1094.6. There may be other time limits which also affect your ability to seek judicial review.

Verification of condition compliance with building plans and/or building permit applications are done at the City Planning Metro or Valley DSC locations. An in-person or virtual appointment for Condition Clearance can be made through the City’s BuildLA portal (appointments.lacity.org). The applicant is further advised to notify any consultant representing you of this requirement as well.



QR Code to
Online Appeal Filing



QR Code to Forms for In-
Person Appeal Filing




QR Code to BuildLA
Appointment Portal for
Condition Clearance

Only an applicant or any owner or tenant of a property abutting, across the street or alley from, or having a common corner with the subject property can appeal this Transit Oriented Communities/Density Bonus Compliance Review Determination. Per the Density Bonus Provision of State Law (Government Code Section 65915), the Density Bonus increase in units above the base density limits per the underlying zone(s) and the appurtenant parking reductions are not a discretionary action and therefore cannot be appealed. Only the requested incentives are appealable. Per LAMC Sections 12.22 A.25 and 12.22 A.31, appeals of Density Bonus Compliance Review and Transit Oriented Communities cases with the Director of Planning or Zoning Administrator as the initial decision maker are heard by the City Planning Commission.

Vincent P. Bertoni, AICP
Director of Planning

Approved by:



Heather Bleemers, Senior City Planner

Prepared by:



Michelle Carter, City Planner
michelle.carter@lacity.org