



APPLICATIONS:

APPEAL APPLICATION

Instructions and Checklist

Related Code Section: Refer to the City Planning case determination to identify the Zone Code section for the entitlement and the appeal procedure.

Purpose: This application is for the appeal of Department of City Planning determinations authorized by the Los Angeles Municipal Code (LAMC).

A. APPELLATE BODY/CASE INFORMATION

1. APPELLATE BODY

- Area Planning Commission, City Planning Commission, City Council, Director of Planning, Zoning Administrator

Regarding Case Number: CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA

Project Address: 512-550 S Shatto Place / 3119 W 6th Street

Final Date to Appeal: 06/28/2021

2. APPELLANT

Appellant Identity: Representative, Property Owner, Applicant, Operator of the Use/Site

Person, other than the Applicant, Owner or Operator claiming to be aggrieved

Person affected by the determination made by the Department of Building and Safety

- Representative, Applicant, Owner, Operator, Aggrieved Party

3. APPELLANT INFORMATION

Appellant's Name: Ly Tang for TF Shatto Limited Partnership

Company/Organization: TF Shatto Limited Partnership

Mailing Address: 11400 W Olympic Blvd #850

City: Los Angeles State: CA Zip: 90064

Telephone: (604) 649-2125 E-mail:

a. Is the appeal being filed on your behalf or on behalf of another party, organization or company?

Self, Other:

b. Is the appeal being filed to support the original applicant's position? Yes, No

**4. REPRESENTATIVE/AGENT INFORMATION**

Representative/Agent name (if applicable): Ryan Leaderman

Company: Holland & Knight LLP

Mailing Address: 400 S Hope Street, 8th Floor

City: Los Angeles State: CA Zip: 90071

Telephone: (213) 896-2405 E-mail: ryan.leaderman@hkllaw.com

**5. JUSTIFICATION/REASON FOR APPEAL**

a. Is the entire decision, or only parts of it being appealed?  Entire  Part

b. Are specific conditions of approval being appealed?  Yes  No


If Yes, list the condition number(s) here: See attached

Attach a separate sheet providing your reasons for the appeal. Your reason must state:

- The reason for the appeal
- How you are aggrieved by the decision
- Specifically the points at issue
- Why you believe the decision-maker erred or abused their discretion

**6. APPLICANT'S AFFIDAVIT**

I certify that the statements contained in this application are complete and true:

Appellant Signature:  Date: 6/22/2021

**GENERAL APPEAL FILING REQUIREMENTS**

**B. ALL CASES REQUIRE THE FOLLOWING ITEMS - SEE THE ADDITIONAL INSTRUCTIONS FOR SPECIFIC CASE TYPES**

**1. Appeal Documents**

a. **Three (3) sets** - The following documents are required for each appeal filed (1 original and 2 duplicates) Each case being appealed is required to provide three (3) sets of the listed documents.

- Appeal Application (form CP-7769)
- Justification/Reason for Appeal
- Copies of Original Determination Letter

**b. Electronic Copy**

Provide an electronic copy of your appeal documents on a flash drive (planning staff will upload materials during filing and return the flash drive to you) or a CD (which will remain in the file). The following items must be saved as individual PDFs and labeled accordingly (e.g. "Appeal Form.pdf", "Justification/Reason Statement.pdf", or "Original Determination Letter.pdf" etc.). No file should exceed 9.8 MB in size.

**c. Appeal Fee**

- Original Applicant - A fee equal to 85% of the original application fee, provide a copy of the original application receipt(s) to calculate the fee per LAMC Section 19.01B 1.
- Aggrieved Party - The fee charged shall be in accordance with the LAMC Section 19.01B 1.

**d. Notice Requirement**

- Mailing List - All appeals require noticing per the applicable LAMC section(s). Original Applicants must provide noticing per the LAMC
- Mailing Fee - The appeal notice mailing fee is paid by the project applicant, payment is made to the City Planning's mailing contractor (BTC), a copy of the receipt must be submitted as proof of payment.

**SPECIFIC CASE TYPES - APPEAL FILING INFORMATION**

**C. DENSITY BONUS / TRANSIT ORIENTED COMMUNITES (TOC)**

**1. Density Bonus/TOC**

Appeal procedures for Density Bonus/TOC per LAMC Section 12.22.A 25 (g) f.

NOTE:

- Density Bonus/TOC cases, only the *on menu or additional incentives* items can be appealed.
- Appeals of Density Bonus/TOC cases can only be filed by adjacent owners or tenants (must have documentation), and always only appealable to the Citywide Planning Commission.

- Provide documentation to confirm adjacent owner or tenant status, i.e., a lease agreement, rent receipt, utility bill, property tax bill, ZIMAS, drivers license, bill statement etc.

**D. WAIVER OF DEDICATION AND OR IMPROVEMENT**

Appeal procedure for Waiver of Dedication or Improvement per LAMC Section 12.37 I.

NOTE:

- Waivers for By-Right Projects, can only be appealed by the owner.
- When a Waiver is on appeal and is part of a master land use application request or subdivider's statement for a project, the applicant may appeal pursuant to the procedures that governs the entitlement.

**E. TENTATIVE TRACT/VESTING**

**1. Tentative Tract/Vesting** - Appeal procedure for Tentative Tract / Vesting application per LAMC Section 17.54 A.

NOTE: Appeals to the City Council from a determination on a Tentative Tract (TT or VTT) by the Area or City Planning Commission must be filed within 10 days of the date of the written determination of said Commission.

- Provide a copy of the written determination letter from Commission.

**F. BUILDING AND SAFETY DETERMINATION**

- 1.** Appeal of the Department of Building and Safety determination, per LAMC 12.26 K 1, an appellant is considered the **Original Applicant** and must provide noticing and pay mailing fees.

**a. Appeal Fee**

- Original Applicant - The fee charged shall be in accordance with LAMC Section 19.01B 2, as stated in the Building and Safety determination letter, plus all surcharges. (the fee specified in Table 4-A, Section 98.0403.2 of the City of Los Angeles Building Code)

**b. Notice Requirement**

- Mailing Fee - The applicant must pay mailing fees to City Planning's mailing contractor (BTC) and submit a copy of receipt as proof of payment.

- 2.** Appeal of the Director of City Planning determination per LAMC Section 12.26 K 6, an applicant or any other aggrieved person may file an appeal, and is appealable to the Area Planning Commission or Citywide Planning Commission as noted in the determination.

**a. Appeal Fee**

- Original Applicant - The fee charged shall be in accordance with the LAMC Section 19.01 B 1 a.

**b. Notice Requirement**

- Mailing List - The appeal notification requirements per LAMC Section 12.26 K 7 apply.
- Mailing Fees - The appeal notice mailing fee is made to City Planning's mailing contractor (BTC), a copy of receipt must be submitted as proof of payment.

**G. NUISANCE ABATEMENT**

**1. Nuisance Abatement** - Appeal procedure for Nuisance Abatement per LAMC Section 12.27.1 C 4

NOTE:

- Nuisance Abatement is only appealable to the City Council.

**a. Appeal Fee**

Aggrieved Party the fee charged shall be in accordance with the LAMC Section 19.01 B 1.

**2. Plan Approval/Compliance Review**

Appeal procedure for Nuisance Abatement Plan Approval/Compliance Review per LAMC Section 12.27.1 C 4.

**a. Appeal Fee**

Compliance Review - The fee charged shall be in accordance with the LAMC Section 19.01 B.

Modification - The fee shall be in accordance with the LAMC Section 19.01 B.

**NOTES**

*A Certified Neighborhood Council (CNC) or a person identified as a member of a CNC or as representing the CNC may not file an appeal on behalf of the Neighborhood Council; persons affiliated with a CNC may only file as an individual on behalf of self.*

**Please note** that the appellate body must act on your appeal within a time period specified in the Section(s) of the Los Angeles Municipal Code (LAMC) pertaining to the type of appeal being filed. The Department of City Planning will make its best efforts to have appeals scheduled prior to the appellate body's last day to act in order to provide due process to the appellant. If the appellate body is unable to come to a consensus or is unable to hear and consider the appeal prior to the last day to act, the appeal is automatically deemed denied, and the original decision will stand. The last day to act as defined in the LAMC may only be extended if formally agreed upon by the applicant.

This Section for City Planning Staff Use Only		
Base Fee:	Reviewed & Accepted by (DSC Planner):	Date:
Receipt No:	Deemed Complete by (Project Planner):	Date:
<input type="checkbox"/> Determination authority notified		<input type="checkbox"/> Original receipt and BTC receipt (if original applicant)

## **514 -550 S. Shatto Place -- CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA Appeal of TORS CUP Justification**

At the April 22, 2021 hearing ("Hearing") for the mixed-use residential and commercial project (the "Project") located at 514 to 550 S. Shatto Place in the City of Los Angeles (the "City"), the City Planning Commission (the "Commission") denied the request of TF Shatto LP (the "Applicant") to provide flexible housing in the form of a Transient Occupancy Residential Structure ("TORS") Conditional Use Permit ("CUP") for a limited number of dwelling units.<sup>1</sup> The Letter of Determination ("LOD") issued on June 8, 2021 approved all entitlement requests except for the TORS CUP. The Applicant hereby appeals the Commission's denial of the TORS CUP, and does not appeal other component of the LOD.

The LOD inaccurately purports to find that the proposed TORS use is limited to a maximum 30-day tenancy even though there was no such implicit or explicit finding by the Commission at the Hearing.<sup>2</sup> The written findings in the LOD relating to the TORS use do not reflect the Commission deliberations at the Hearing. A post-hoc rationalization cannot substitute for actual findings of the Commission. As such, the City Council must reverse the Commission's error and abuse of discretion so as to permit the proposed TORS use.

At the Hearing, a number of Commissioners expressed support for short-term occupancy of dwelling units with kitchens.<sup>3</sup> Nevertheless, Commissioner Mack and a minority of Commissioners expressed concern about the nature of the TORS use.<sup>4</sup> This appeal seeks to clarify that: (1) the TORS use is distinct from a standard multi-family dwelling unit because it *allows short-term stays*, and distinct from a guest room in a hotel because it *provides kitchens*; (2) data show that there is a critical housing need that will be met by the TORS use; and (3) the TORS use *does not* preclude tenants from staying for longer than 30 days.

### **I. Key Takeaways**

- Data support the need for innovative housing such as co-living. Flexible duration housing opportunities are a part of the business model. There is a market demand

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**<sup>1</sup> The Applicant requested 90 TORS dwelling units, but hereby modifies its entitlement request for only 54 TORS units, consisting exclusively of the co-living units so that none of the standard dwelling units would have the TORS designation.**

<sup>2</sup> See LOD, pp. F-11 and F-13.

<sup>3</sup> Commissioner Jenna Hornstock, Hearing, Item 6 at 1:38 ("When I go to a city with my family in particular, I want to rent a place with a kitchen.") and Chairperson Millman comments at 1:41, available at [https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6\\_CPC\\_2020\\_6192.mp3](https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6_CPC_2020_6192.mp3). (Unofficial Hearing Transcript attached as Exhibit No. 1).

<sup>4</sup> Hearing, Item 6, at 18:00 and 1:00:00, available at [https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6\\_CPC\\_2020\\_6192.mp3](https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6_CPC_2020_6192.mp3)

for co-living which is up to 40 percent more affordable than studio apartments. The City's own General Plan encourages the type of development proposed here.

- TORS is an innovative housing type offering short- and long-term optionality; it provides amenities of a dwelling unit such as a kitchen combined with short-term lease optionality and flexibility.
- The TORS use does not preclude stays longer than 30 days. The TORS CUP grants additional rights, and does not take away the rights that the underlying zoning provides. Moreover, the "transient" definition in the Los Angeles Municipal Code ("LAMC") anticipates long-term stays.
- The City erred and abused its discretion by denying the TORS CUP. The findings in the LOD do not reflect the deliberations of the Commission, nor do they reflect that TORS units allow tenancy for more than 30 days. Facts and data support findings for the City Council to grant the TORS CUP.
- Modification of conditions of approval are necessary to reflect the TORS use which would now be limited to the 54 co-living units. Modify Q Condition 3 to add this language from the Commission Staff Report for the Project: **For purposes of calculating the required on-site restricted affordable units, the TORS units shall be considered in total number of units proposed. For the purposes of designating units as on-site restricted affordable units, the TORS units shall be excluded.**
- The Applicant offers to the City Council and Planning Department a proposed **condition of approval to ensure that the 270 bedrooms in the 54 TORS dwelling units are used primarily for long term housing and to limit short term stays (i.e., less than 30 days) to less than 25 percent of the nights available.**

## II. TORS is a Type of Innovative Housing, Offering Short- and Long-Term Optionality

### A. TORS Provides the Amenities of a Dwelling Unit With Short-Term Lease Optionality

At the Hearing, a Commissioner asked: "What does the TORS use allow that a standard dwelling unit does not?" The TORS use offers its occupants **rental term flexibility** that a typical dwelling unit does not, while providing the **amenities (kitchens with residential size appliances, e.g., refrigerators, stove & oven, dishwasher, laundry, private and common residential open space,<sup>5</sup> community room, etc.)** that a typical hotel does not provide.

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<sup>5</sup> As noted in the approved site plans, the TORS units are treated as dwelling units with respect to all aspects, including adhering to all LAMC development standards, including private and common open space, dwelling unit density, setbacks, etc.

### 1. *TORS Term Flexibility*

The only legal mechanism in the City to allow multi-family dwelling units the optionality to have less than 30-day leases is through a TORS CUP. In July of 2019, the Short Term Rental Ordinance ("STRO") became effective, exempting TORS units from the newly enacted ban on short-term rentals in multi-family units.<sup>6</sup> The STRO created a regulatory framework to permit "Home-Sharing," or short-term rentals, and changed the definition of the TORS designation to require a CUP. Whereas non-TORS and non-STRO dwelling units require at least a 30-day stay, the TORS designation allows TORS dwelling units to accommodate tenants, including new emigrants to the City, who may want to test out co-living before signing a longer commitment (see below). Just as a landlord has the ability to provide locks on each bedroom in a dwelling unit and to have tenants who are roommates, and similar to the right that all landlords possess, the TORS use allows (i.e., it does not restrict) the placement of individual locks on each bedroom for security and privacy, and it allows (i.e., it does not restrict) individual leasing of bedrooms in dwelling units.

### 2. *TORS Dwelling Unit Amenities*

Unlike hotel guest rooms, TORS dwelling units support daily living requirements and offer amenities that are more similar to that of an apartment building – they provide kitchen, laundry, and mailroom facilities. **Further, unlike hotel rooms, this use would not provide daily cleaning services or room service.**

Per LAMC § 12.03, the definition of a "guest room" may not contain a kitchen: "[a]ny habitable room except a kitchen, designed or used for occupancy by one or more persons and not in a dwelling unit." By contrast, the same LAMC § provides that a "dwelling unit" must contain a kitchen: "[a] group of two or more rooms, one of which is a kitchen..." TORS dwelling units provide flexibility for short-term rentals with kitchens that LAMC § 12.03 precludes for a hotel (i.e., hotel guest rooms by City law, as stated above, do not have kitchens).

Typically, hotels offer paid laundry services, daily laundering and cleaning, and room service. The TORS use, as envisioned here, is distinct from a hotel and offers none of these. Co-living residents may pay for a weekly cleaning service if they wish. There are onsite laundry facilities for co-living residents' use, as there would be in an apartment building. Importantly, unlike hotels in the City, each TORS dwelling unit would have a kitchen, multiple bedrooms, as well as additional living space, such as a living room, within the dwelling unit. Further co-living residents, unlike in a hotel, will have access to building amenity spaces and programming designed to foster introductions, new friendships and communal activities for co-living residents.

### 3. *Tenant Protections*

California tenant protections apply to "all persons who hire *dwelling units*," including lodgers and

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<sup>6</sup> Los Angeles Ordinance No. 185,931, at section 7, approved Nov. 2018, effective July 2019, available at [http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2\\_ORD\\_185931\\_07-01-19.pdf](http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf). (Attached as Exhibit 2)

others.<sup>7</sup> This Civil Code section expressly does not apply to transient occupants *in a hotel*.<sup>8</sup> The TORS designation is distinct from the standard dwelling unit in that it provides for short-term occupancy, but the dwelling unit classification potentially invokes the California tenant protections that a short-term hotel stay would not.

## B. Data Support the Need for This Use

At the Hearing, Commissioner Mack asked "is there data to support this need?" Yes. The TORS use enables a co-living model that data show can lower the homelessness rate among urban workers; can be up to 40 percent more affordable than studio apartments,<sup>9</sup> and "several indicators point to continued demand" despite the pandemic.<sup>10</sup>

### 1. *Market Need*

Co-living is a newer form of housing that is (i) *cost-effective* as residents have common living spaces, such as a kitchen and living room, (ii) *flexible* as tenants do not have to co-sign on a lease and can sign less than 30 days, three month, six month, or one year leases (iii) *convenient* as building management maintains the units, and (iv) *travel light* as it limits the need to buy furniture or other households goods as building management provides them.

It has become an emerging solution to California's high cost of living and acute housing shortage particularly among young and/or mobile professionals and an easy means for new residents to enter Los Angeles very tight and expensive housing market. Co-living facilities offer housing at up to 40 percent less than comparative market rate studios,<sup>11</sup> even though the co-living units would be fully furnished. According to Cushman Wakefield's analysis, the demand for co-living beds could soon exceed 30 to 40 times the supply of beds actually available.<sup>12</sup> The need for co-living and the optionality of TORS is buttressed by the City's own Housing Element which found that there a high number of housing cost-burdened Angelenos: "About 55% more owner households and 38% more renters paid in excess of half their income for housing costs in 2010 than in 2000."<sup>13</sup>

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<sup>7</sup> Cal. Civil. Code § 1940 (a) (emphasis added). ("Except as provided in subdivision (b), this chapter shall apply to all persons who hire **dwelling units** located within this state including tenants, lessees, boarders, lodgers, and others, however denominated.")

<sup>8</sup> *Id.*

<sup>9</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?*, available at <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>, accessed May 20, 2021. (Attached as Exhibit No. 3)

<sup>10</sup> Albers, J., Bitner, D., & Garcia, K. (2020). *Coliving During Covid-19: How Communal Living Has Adapted to the New Normal*. Cushman & Wakefield, available at <https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19> accessed May 20, 2021. (Attached as Exhibit No. 4).

<sup>11</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?*. Retrieved from Nexodus: <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>, accessed May 20, 2021. (Attached as Exhibit No. 3)

<sup>12</sup> *Co-living during COVID-19: How Communal Living has Adapted to the New Normal*, Cushman Wakefield, Nov. 2020, available at <https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19>. (Attached as Exhibit No. 4)

<sup>13</sup> See City General Plan Housing Element, p. 1-44.

California has a cumulative shortage of housing for all renters up to the median income. In 2019, Los Angeles was in third place as the U.S. metropolitan area with the least amount of available affordable rental homes affordable to extremely low income households across the 50 largest metropolitan areas.<sup>14</sup> An un-met demand on small apartment units for entry workforce results in a substantial impact to lower cost housing.

According to Nan Roman, president of the National Alliance to End Homelessness, this type of housing has "played a key role in housing U.S. urban workers for decades and...helped keep the homelessness rate close to zero..."<sup>15</sup> Mr. Roman "encourages cities to pay more attention to shared housing..." so as to help "'solve the homelessness crisis' for most individuals."<sup>16</sup>

a. Coliving: A Nontraditional Affordable Housing Option

According to a recent article in the U.S. Department of Housing and Urban Development, *Edge PD&R*, an on-line magazine, co-living units are a creative solution to the affordable housing crisis facing adults. "With housing costs continuing to rise and affordable housing options limited by strict zoning and building codes, among other factors, new coliving alternatives may offer a solution to the affordable housing crisis facing individual adults. Coliving housing consists of a small living space ... offered at an affordable price."<sup>17</sup> Co-living in a TORS unit would provide a mutually beneficial relationship to the residents within the TORS dwelling unit, providing flexibility to residents struggling with high housing costs. Especially considering the need for short-term housing to accommodate the thousands of folks coming to the City as students, or for film and television production, the tech sector, medical needs, and the upcoming Olympics, the TORS co-living units would provide a creative housing accommodation for residents and visitors, all while enhancing the economic benefits to the City with the increased payment of transient occupancy tax ("TOT"). Payment of TOT will further the economic health of the City, while also providing a creative and flexible housing alternative.

The proposed 54 co-living TORS units would each have a short-term component, although to foster long-term homes, the Applicant offers a **condition of approval to ensure that the 270 bedrooms within the 54 TORS co-living dwelling units are used primarily for long term housing and to limit short term stays (i.e., less than 30 days) to less than 25 percent of the nights available.** Additionally, these units would already be more affordable for each bedroom compared to studio apartments, and would have multiple residents moving in at different times to various bedrooms within each dwelling unit. As such, it would not be possible to apply affordability restrictions on the short-term co-living units. Inclusionary percentages for the TORS

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<sup>14</sup> Aurand, A., Emmanuel, D., Threet, D., Rafi, I., & Yentel, D. (2021). *The GAP: A Shortage of Affordable Homes*. National Low Income Housing Coalition, Table 1 at p. 9, available at [https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2021.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf) accessed May 20, 2021. (Attached as Exhibit No. 5)

<sup>15</sup> Biron, *Under one roof: U.S. cities look to co-living to ease housing crisis*, Thompson Reuters Foundation, Dec. 15, 2020, available at <https://news.trust.org/item/20201215111858-2n2we>. (Attached as Exhibit No. 6)

<sup>16</sup> *Id.*

<sup>17</sup> See *Coliving: A Nontraditional Affordable Housing Option*, U.S. Department of Housing and Urban Development, *Edge PD&R*, available at <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-042919.html> accessed May 19, 2021. (Attached as Exhibit 7).

co-living units would be distributed in the non-TORS units (i.e., 367 dwelling units total minus the 54 TORS units).

b. Typical Occupant

A typical occupant is a college graduate moving to Los Angeles for his or her first job. With student loans and a short credit history, leasing and furnishing a one bedroom or studio for a year is a financial challenge for this typical occupant. As students are often from out of town, finding compatible roommates is also a challenge. Co-living occupants typically stay for one to two years as they transition to more traditional housing. Due to the transitory nature of their profession, some will need the flexibility of renting for less than 30 days until transitioning to a long term lease. The TORS designation provides flexibility for both short and long term leases to accommodate the type of tenants it attracts.

Co-living accommodations in the global market usually provide for two different types of users:

- **Co-living aimed at digital nomads** – Guests that have varying lengths of stays from multiple days to less than 30 days. In the U.S., they often use hostel, hotel or AirBnB. Internationally, because of more flexibility with short and long-term lease regulations, co-living companies such as Nine Coliving or Playworking, will require a minimum three-day to a week stay while permitting long term accommodations. Typically, digital nomads will stay three-to-four weeks in the same place.
- **Residential co-living** – More commonly provided in the U.S., it is oriented to young professionals with average stays of nine months to a year.<sup>18</sup>

This model is geared toward "tenants making an average of about \$25,000 a year - 'the front-line workforce," who "...don't have access to any other type of housing..." according to Padsplit founder Atticus LeBlanc.<sup>19</sup> "Their options are in an extended-stay motel that is twice as much or more, so they can't afford it. Or they can look at living in a car or on someone's sofa. That's it."<sup>20</sup> The co-living TORS structure provides flexible living arrangements with private bedrooms, kitchens, and amenities, such as required private and common open space, that hotels do not provide. Because the short-term TORS component is critical to the success of the co-living it is critical to have the TORS use within the Project. Nevertheless, because the co-living units are intended to be for living, but with short-term optionality, the Applicant voluntarily commits to condition the project so that the short term stays (i.e., less than 30 days) must not be more than 25 percent of the nights available for the 270 bedrooms within the 54 TORS co-living dwelling units.

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<sup>18</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?* . Retrieved from Nexodus: <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>, accessed May 20, 2021. (Attached as Exhibit No. 3)

<sup>19</sup> Biron, *Under one roof: U.S. cities look to co-living to ease housing crisis*, Thompson Reuters Foundation, Dec. 15, 2020, available at <https://news.trust.org/item/20201215111858-2n2we>. (Attached as Exhibit No. 6). (quoting Atticus LeBlanc).

<sup>20</sup> *Id.*

## 2. *The City General Plan Housing Element Supports the Use*

The City's General Plan Housing Element recognizes the need to provide less costly housing opportunities. "Many housing problems, from overpayment to overcrowding and poor livability, are directly related to the cost of housing. Housing is generally the largest single expense facing American families. Los Angeles has long been one of the least affordable metropolitan areas in the country due to its high housing costs and relatively low household incomes."<sup>21</sup>

The very first General Plan Housing Element Goal states: "A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, **and suitable for their various needs**."<sup>22</sup> (Emphasis Added.) As shown above, there is a need for innovative and more cost-effective housing, and the TORS units with the co-living component would provide a more flexible and less costly housing opportunity compared to standard dwelling units. The Project would further assist the City in achieving these City Housing Element Policies and Objectives:

Policy 1.1.3: "Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households."

Policy 1.1.6: "Facilitate innovative models that reduce the costs of housing production."

Objective 1.3: "Forecast and plan for changing housing needs over time in relation to production and preservation needs."

Policy 1.3.5: "Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within the City to meet the projections of housing needs, according to the policies and objectives of the City's Framework Element of the General Plan."

Objective 1.4: "Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs."

Objective 4.1: "Provide an adequate supply of short-term and permanent housing and services throughout the City that are appropriate and meet the specific needs of all persons who are homeless or at risk of homelessness."

Under Objective 1.1, Housing Program 67: "Amend the Zoning Code to Facilitate Non-Conventional Housing Identify modifications needed in the Zoning Code to facilitate innovative housing types, such as shared housing, congregate living, cooperative housing, modular and pre-fabricated housing, and group quarters."

Denial of the TORS frustrates the goals, policies, and objectives of the City's own Housing Element while precluding an innovative, and cost-effective housing typology. In reference to the City's own Housing Element goals and objectives listed above, the TORS co-living use would provide new housing that is safe, health, and affordable to people of all income levels, races, ages,

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<sup>21</sup> See City General Plan Housing Element, p. 1-44.

<sup>22</sup> Id. at p. 6-3, Goal 1.

and suitable for their various needs; the TORS co-living use would facilitate new construction of a range of different housing types that address the particular needs of the City's households; the TORS co-living use would further facilitate an innovative housing model that would reduce the cost of housing production; the TORS use would plan for changing housing needs over time; and the TORS co-living use would provide a housing type that would accommodate a demonstrated need for this type of housing production as shown in earlier in this appeal justification. By not approving a new-build TORS use that is a housing typology specifically authorized by the LAMC, the Commission took no action to reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs. By disapproving the TORS co-living use, the City has also failed in efforts to provide an adequate supply of "**short-term and permanent housing**" that Objective 4.1 of the Housing Element calls for the City to provide, especially considering the massive deficit of short- and long-term housing production deficits that Judge Carter identified in his landmark *LA Alliance for Housing* decision. Additionally, the Commission also failed to facilitate non-conventional housing and innovative housing types in conflict with Objective 1.1, Housing Program 67.

Just two days after the Commission's denial of the TORS co-living use, on June 10, 2021 during the public hearing on Commission's Agenda Item #6 (DIR-2020-5861-TOC-DRB-SPPHCA-1A) Commissioners Perlman, Mack and other Commissioners spoke in support of "co-living" uses. The Commission went on record stating that it was supportive of co-living and that co-living should be treated as multi-family housing. For the June 10<sup>th</sup> Agenda Item #6 matter, Commissioners averred that they have seen several co-living projects and see it as a positive sign of a new "affordable" type of housing; that June 10<sup>th</sup> co-living project had guest rooms, and did not have kitchens, so those co-living units were not even dwelling units. Oddly, for Agenda Item #6 on the June 10<sup>th</sup> calendar, the Commissioners essentially approved a co-living hotel (i.e., guest rooms with no kitchens), but here actually denied the co-living TORS use for the proposed housing units (i.e., dwelling units with kitchens).

Taking into account the City's own General Plan Housing Element, the innovative and more affordable housing opportunities that the TORS co-living would provide, and the Commission's own members' comments at the June 10, 2021 hearing for Commission Item #6 only two days after their denial of this TORS co-living project, the Commission acted arbitrarily and capriciously: it was an error and abuse of the Commission to deny the TORS use.

### C. The TORS Use Does Not Preclude Stays Longer Than 30 Days

After City Planning staff said that the TORS use prohibits long-term stays,<sup>23</sup> Commissioners expressed confusion over the length of stay allowed in a dwelling unit permitted the TORS designation.<sup>24</sup> This is because the LAMC expressly *permits* stays shorter than 30 days in a dwelling

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<sup>23</sup> "TORS, transient occupancy residential structures -- are essentially -- they are dwelling units so they are units that have kitchens. However, they are only permitted for 30 day stays so that is the maximum that they are allowed so they are not long term stays. I wanted to clarify in the request clause the request is for TORS units which includes short term and long term is intended to mean in this instance 30 days. It is not intended to mean beyond thirty days - - so TORS units are restricted to a thirty day maximum tenancy." City Planner Oliver Netburn at Hearing, Item 6 at 8:43, available at [https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6\\_CPC\\_2020\\_6192.mp3](https://planning.lacity.org/plndoc/Audio/CPC/2021/04-22-2021/6_CPC_2020_6192.mp3).

<sup>24</sup> The City staff position on maximum duration for TORS dwelling units gave the (mis)impression to the Commission that the TORS dwelling units do not have the optionality to accommodate longer-term occupancy.

unit with the TORS designation, but is silent as to longer stays.<sup>25</sup> However, the LAMC explicitly permits occupancy for longer than 30 days in “any structure” “designed for occupancy by transients.”<sup>26</sup> Furthermore, a position that the TORS designation could force an owner to limit the length of stays is arbitrary and capricious because: (1) long-term stays are permitted by-right and by practice in both dwelling units *without* the TORS designation and in hotel guest rooms; (2) the City Council's purpose in creating the TORS designation was to accommodate more types of rentals, rather than to limit them; (3) state law governing residential tenancy prohibits it; and (4) the state aims to increase the housing supply by preventing local policy that would decrease long-term rental unit supply. The following elaborates on these points to explain why imposing a 30 day limitation on a dwelling unit with the TORS designation would be an abuse of discretion, and why denying the TORS use on the grounds that it limits stays is also an abuse of discretion.

1. *Stays Longer than 30 Days Are Permitted By Right in Dwelling Units*

Long term stays are permitted by-right in these units because the C2 zone allows multifamily residential uses without a CUP,<sup>27</sup> and because the STRO provides that a transient may occupy “the structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes” “for a longer period of occupancy” that is greater than 30 days.<sup>28</sup> Given this by-right use, the asserted City staff position is contrary to local law. Therefore, it is an abuse of discretion to assert that the TORS use prohibits occupancy for less than 30 days.

a. *The CUP Grants Additional Rights to Develop and Does Not Abridge By-Right Use*

The TORS CUP adds a use to the list of those already allowed in the proposed C2 zone. Multifamily residential apartments are allowed uses in both the C2 zone, in addition to any uses approved by grant of a CUP.<sup>29</sup> Read in the context of the entire list of uses allowed in these zones, the TORS CUP cannot abridge the right to rent out units for the long term where it is granted as a use *in addition* to other long-term uses such as multi-family dwelling units. Said another way, a CUP “grants an owner permission to devote a parcel to a use that the applicable zoning ordinance allows not as a matter of right but only upon issuance of the permit.”<sup>30</sup> But it does not limit the rights that are already possessed by that owner.

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<sup>25</sup> LAMC §12.03 defines a TORS as “[a] residential building designed or used for one or more dwelling units or a combination of three or more dwelling units and not more than five guest rooms or suites of rooms wherein occupancy, by any person by reason of concession, permit, right of access, license, or other agreement is *for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days.*”(emphasis added).

<sup>26</sup> See LAMC § 21.7.2(b) and (d)(2). In LAMC § 21.7.2(b) a hotel is defined to include “any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.” Transient is defined to include “Any individual who personally exercises occupancy or is entitled to occupancy by reason of concession, permit, right of access, license or other agreement, for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days. Any such individual so occupying space in a hotel shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy.”

<sup>27</sup> See LAMC § 12.14A(4) (within the C2 zone, allowing any use permitted in a C1 zone, and the C1 zone permits multifamily residential).

<sup>28</sup> LAMC § 21.7.2 (d)(2) (defining transient with the context of the STRO).

<sup>29</sup> LAMC § 12.14A(4) (within the C2 zone, allowing any use permitted in a C1 zone).

<sup>30</sup> See *Neighbors in Support of Appropriate Land Use v County of Tuolumne* (2007) 157 Cal.App.4th 997, 1006.

b. The "Transient" Definition Anticipates Long-Term Stays

Not only are long-term stays allowed by-right in dwelling units, it the City's practice is to impose no occupancy restriction limiting hotel and STRO stays to a maximum of 30 days, consistent with the language of the STRO. Per the LAMC, a transient: "...shall be deemed to be a transient until the period of 30 days has expired unless there is an agreement in writing between the operator and the occupant providing for a longer period of occupancy."<sup>31</sup> After the 30 day period, the occupant is no longer a transient. However, ***the law does not require or mandate eviction of people after 30 days as City Planning implied when it sought to mistakenly prohibit longer-term stays within TORS***; to require otherwise would contradict the circumstances that this language anticipates. It is arbitrary and capricious to treat TORS dwelling units any differently, especially when the same operative provisions allowing stays greater than 30 days apply to all these uses equally.

Since long-term rental uses are already allowed by right in the C2 zone and by practice in hotels, LAMC § 12.24(F) limits the authority of the City to impose conditions that would abridge this right.<sup>32</sup> Where the City and state have such a clear policy of providing more long-term rental housing, a condition limiting long-term rentals would be inconsistent, as well as arbitrary and capricious.

2. *The Legislative History Indicates that the Purpose of the TORS Use is to Provide More Flexibility to Developers, Not Less*

The original purpose of the TORS use was not to preclude long term rentals, but to remedy a limitation in the definition of "guest rooms" for "hotels" in the LAMC that precludes "guest rooms" from having kitchens. "The TORS designation was established in the early 1990s to allow for hotels to include kitchens in the guest rooms, something otherwise not allowed."<sup>33</sup> The original purpose of the TORS designation was to provide developers with *more* flexibility, not less.

First, the STRO Staff Report recognized that developers use the TORS designation for long-term or mixed rentals when promulgating the STRO, but did not act/speak to change the definition to preclude this: "**More recently, the TORS designation has also been used for apartments that serve corporate rentals, which usually provide a mix of short- and medium/long-term rental options.**"<sup>34</sup> (Emphasis added.) By recognizing this use of TORS for medium and long term rentals, the City indicated assent to this use, in addition to the express language in LAMC §21.7.2.

Second, the STRO Staff Report demonstrates a desire to promote housing development, rather than limit it. "The policy concern is that the TORS definition is broad enough to permit the whole or partial conversion of existing apartment buildings currently providing long-term housing to

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<sup>31</sup> LAMC § 21.7.2 (d)(2).

<sup>32</sup> "**Conditions of Approval.** In approving a project, the decision-maker may impose conditions related to the interests addressed in the findings set forth in Subsection E."

<sup>33</sup> City of Los Angeles, Planning Commission Staff Report on Short Term Rental Ordinance, November 17, 2018, A-13, available at <https://planning.lacity.org/ordinances/docs/HomeSharing/StaffRept.pdf>. (the "STRO Staff Report"), accessed May 20, 2021.

<sup>34</sup> *Id.*

short-term rentals, which was not the original intent in creating the TORS use."<sup>35</sup> Here, the Applicant requests the TORS use to provide housing with flexibility to have short or long-term rental optionality. Accordingly, the STRO modified the TORS definition to limit conversion from other residential uses so as to prevent residential displacement. The modification does not preclude the contemplated use; however, if the TORS use were not granted now, the STRO would prevent the future conversion of such housing to TORS use. The modification added the following language: "... *Approval of a partial or complete conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.*"<sup>36</sup> Since the City recognized the use of TORS designated units for long-term or mixed-term use, and did not address this or seek to limit it in the modification, the TORS use allows long-term rentals.

This legislative history supplements the plain text and is strong evidence of the City's intent to allow long-term rentals in TORS units.

3. *California Tenant Law Precludes the City from Limiting Stay Duration for the Purpose of Maintaining Transient Occupancy*

Additionally, California Tenant Law provides that no person may require a tenant to leave a dwelling unit prior to 30 days for the purposes of maintaining "transient occupancy."<sup>37</sup> There is no justification for the Commission and City Planning to have carved out an exception that would not allow long-term tenancy within the TORS dwelling units. This is a clear error and abuse of discretion.

4. *The State Prevents Local Governments from Adopting Policies that Would Limit the Supply of Long-Term Rentals*

Not only does the history of the TORS designation indicate permissive long-term rental use, but state and municipal policy regarding increased production of rental units mandates it. For example, as part of the recently enacted SB 330, the Housing Crisis Act, the State made a clear finding that: "[t]he lack of housing, including emergency shelters, is a critical problem that threatens the economic, environmental, and social quality of life in California."<sup>38</sup> While this legislative finding does not carry any force of law, it is indicative of the State's intent to produce more housing, not less. To adopt a policy limiting long-term rental unit production would contradict clear policy goals.

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<sup>35</sup> *Id.* ("In line with the direction in the original City Council Motion to preserve rental housing stock, the proposed ordinance would disallow the conversion of existing residential buildings to a TORS, while preserving the opportunity for new buildings to request a TORS designation. This proposed language was added to the CUP section that covers the TORS use in 12.24W.24(e).")

<sup>36</sup> LAMC § 12.24W.24(e).

<sup>37</sup> Cal. Civ. Code § 1940.1 (a). ("No person may require an occupant of a residential hotel, as defined in Section 50519 of the Health and Safety Code, to move, or to check out and reregister, before the expiration of 30 days occupancy if a purpose is to have that occupant maintain transient occupancy status pursuant to paragraph (1) of subdivision (b) of Section 1940. Evidence that an occupant was required to check out and reregister shall create a rebuttable presumption, which shall affect solely the burden of producing evidence, of the purpose referred to in this subdivision.")

<sup>38</sup> Cal. Gov. Code § 65589.5(a)(1)(A).

Additionally, the need for housing production is so great that the Southern California Association of Governments (“SCAG”) 6th Cycle Draft Regional Housing Needs Assessment (“RHNA”) allocates to the City the production of 455,577 total dwelling units, including 115,680 Very Low Income units and 196,368 Above Moderate Income units during the planning period October 2021 through October 2029.<sup>39</sup> Even though the City is in the midst of a housing emergency with a massive deficit of short- and long- term housing, it is difficult to understand City Planning Staff’s express position that TORS would not allow potential long-term accommodations in addition to the short-term accommodations. It is no surprise that the Commission erred and abused its discretion by relying on Planning Staff’s representations to kill a flexible housing typology that would serve the unmet needs of the community. But the City’s position on prohibiting longer term accommodations within TORS is inconsistent: on May 22, 2020, City Planner Sarah Molina-Pearson verbally indicated that the City Department of Building and Safety has never enforced a 30 day limitation on tenancy in TORS.<sup>40</sup> Taken together, the Commission erred and abused its discretion with respect to the denial of the TORS use.

### **III. Error or Abuse of Discretion - The City Erred and Abused its Discretion by Making Findings to Deny the TORS CUP**

The Commission Staff Report for the Project made express findings that would allow the City to grant this TORS CUP. The information presented above provides further support for the three core CUP findings, and indicates that the Commission abused its discretion in refusing to make the following required findings. At the same time, the Commission erred and abused its discretion because CUP findings three and five for the TORS CUP denial do not reflect the Commission deliberations; and the findings are not supported by facts and evidence in the record.

Finding 3 incorrectly states that these units are “limited to a maximum 30-day tenancy.” Staff’s position at the Hearing was that TORS units have a hard maximum 30-day tenancy limit. But the Commission at the Hearing never made this finding, express or implied. A determination on this issue was not in the record. This finding erroneously lists the City staff position. It does not reflect the actual deliberations of the Commission where there was no resolution or determination by the Commission as to the maximum tenancy duration. See Exhibit No. 1.

Aside from Finding 3 erroneously stating that the Commission found that the TORS units are limited to a maximum 30-day tenancy, this finding also has (1) no citation to a violation of any City code or policy, (2) no link to facts about the Project, and (3) no details that “the TORS component does not service a function or service that is essential or beneficial to the community, city, and the region as a whole.” There simply is no substantial evidence to support such a conclusion.

TORS CUP Finding 5 similarly fails in that there is (1) no citation to a violation of any City code or policy, (2) no link to facts about the Project, and (3) no details. The finding erroneously states that the TORS units, “which are limited to a maximum 30-day tenancy, do not increase the housing stock or promote greater individual choice in housing,” even though the very next sentence in the

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<sup>39</sup> See SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON FINAL RHNA METHODOLOGY & FINAL CONNECT SOCAL at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-draft-allocations-090320-updated.pdf?1602188695> accessed May 20, 2021. (Attached as Exhibit 8).

<sup>40</sup> Verbal communication between Sarah Molina-Pearson and Ryan Leaderman, May 22, 2020.

finding states that “[t]herefore, the TORS component of the project is consistent with the Wilshire Community Plan.” Again, the Commission never made an express or implied finding at the hearing that TORS use is limited to a maximum 30-day tenancy. There is nothing in the record that supports the analytic reasoning to support the conclusion that the TORS co-living use – which involves dwelling units -- would not increase the housing stock or promote greater individual choice in housing.

Since the motion to deny was not supported by findings of fact in the record, it was made in error and constitutes an abuse of discretion. “[W]e hold that regardless of whether the local ordinance commands that the ... board set forth findings, [fn. omt’d] that body must render findings sufficient both to enable the parties to determine whether and on what basis they should seek review and, in the event of review, to apprise a reviewing court of the basis for the board’s action.”<sup>41</sup> The Commission’s “findings” for denial of the TORS CUP are inadequate as a matter of law, and not supported by substantial evidence. The Commission failed to articulate the connection between its findings and the evidence in the record in contravention of the California Supreme Court’s decision in *Topanga Association for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506.

To the extent that there are findings, the City’s LOD findings are the very type of post-hoc rationalization by the City that Judge Chalfant rejected in the *District Square* case.<sup>42</sup> **In lieu of the post-hoc rationalization in the LOD, the Applicant urges the City Council to reverse the error and abuse of discretion by the Commission and adopt finding below to approve the TORS CUP.**

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

The Applicant is seeking a CUP to allow the construction, use and maintenance of a 54-unit TORS in conjunction with a mixed-use high rise project. The proposed TORS units will attract students, visiting professionals, digital nomads, and visitors by offering the optionality of short-term, overnight accommodations with the convenience of kitchen facilities, and consistent with the property’s Regional Center Commercial land use designation. The TORS’ proximity to Downtown and Hollywood along with local and regional transit services will minimize the dependence of guests on the automobile which will reduce roadway congestion. Therefore, the TORS will perform a function and provide a service that is essential and beneficial to the community, City, and the region as a whole.

The TORS use enables a co-living model that data show can lower the homelessness rate among

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<sup>41</sup> *Topanga Association for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, 513-514.

<sup>42</sup> See *District Square, LLC v. City of Los Angeles*, 20STCP00654 (Los Angeles Sup.Ct., Sept. 24, 2020). “The City does not address Petitioner’s contention that the APC never saw or adopted the LOD. The City makes a conclusory statement that the LOD constitutes the APC’s final decision under CCP section 1094.6(b), but it cites no evidence contradicting Petitioner’s assertion that the APC never saw or approved the LOD. Opp. at 9-10. This means that the LOD is merely a staffer’s opinion of the findings that would support the APC’s decision, which is insufficient to make it the APC’s decision.”

urban workers; can be up to 40 percent more affordable than studio apartments;<sup>43</sup> and "several indicators point to continued demand" despite the pandemic.<sup>44</sup>

### 1. *Market Need*

Co-living is a newer form of cost-effective housing where residents share common living spaces, such as the kitchen and living room, and lease their own co-living bedroom unit which may include an ensuite bathroom. It has become an emerging solution to California's high cost of living and acute housing shortage particularly among young and/or mobile professionals. Co-living facilities offer housing at up to 40 percent less than comparative market rate studios,<sup>45</sup> even though the co-living units would be fully furnished. According to Cushman Wakefield's analysis, the demand for co-living beds could soon exceed 30 to 40 times the supply of beds actually available.<sup>46</sup> The need for co-living and the optionality of TORS is buttressed by the City's own Housing Element which found that there a high number of housing cost-burdened Angelenos: "About 55% more owner households and 38% more renters paid in excess of half their income for housing costs in 2010 than in 2000."<sup>47</sup>

California has a cumulative shortage of housing for all renters up to the median income. In 2019, Los Angeles was in third place as the U.S. metropolitan area with the least amount of available affordable rental homes affordable to extremely low income households across the 50 largest metropolitan areas.<sup>48</sup> An un-met demand on small apartment units for entry workforce results in a substantial impact to lower cost housing.

According to Nan Roman, president of the National Alliance to End Homelessness, this type of housing has "played a key role in housing U.S. urban workers for decades and...helped keep the homelessness rate close to zero..."<sup>49</sup> Mr. Roman "encourages cities to pay more attention to shared housing..." so as to help "solve the homelessness crisis' for most individuals."<sup>50</sup>

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<sup>43</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?*, available at <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>.

<sup>44</sup> Albers, J., Bitner, D., & Garcia, K. (2020). *Coliving During Covid-19: How Communal Living Has Adapted to the New Normal*. Cushman & Wakefield, available at <https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19>.

<sup>45</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?* . Retrieved from Nexodus: <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>.

<sup>46</sup> *Co-living during COVID-19: How Communal Living has Adapted to the New Normal*, Cushman Wakefield, Nov. 2020, available at <https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19>.

<sup>47</sup> See City General Plan Housing Element, p. 1-44.

<sup>48</sup> Aurand, A., Emmanuel, D., Threet, D., Rafi, I., & Yentel, D. (2021). *The GAP: A Shortage of Affordable Homes*. National Low Income Housing Coalition, Table 1 at p. 9, available at [https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2021.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf).

<sup>49</sup> Biron, *Under one roof: U.S. cities look to co-living to ease housing crisis*, Thompson Reuters Foundation, Dec. 15, 2020, available at <https://news.trust.org/item/20201215111858-2n2we>.

<sup>50</sup> *Id.*

a. Coliving: A Nontraditional Affordable Housing Option

According to a recent article in the U.S. Department of Housing and Urban Development, Edge PD&R, an on-line magazine, co-living units are a creative solution to the affordable housing crisis facing adults. “With housing costs continuing to rise and affordable housing options limited by strict zoning and building codes, among other factors, new coliving alternatives may offer a solution to the affordable housing crisis facing individual adults. Coliving housing consists of a small living space ... offered at an affordable price.”<sup>51</sup> Co-living in a TORS unit would provide a mutually beneficial relationship to the residents within the TORS dwelling unit, providing flexibility to residents struggling with high housing costs. Especially considering the need for short-term housing to accommodate the thousands of folks coming to the City for the upcoming Olympics, the TORS co-living units would provide a creative housing accommodation for residents and visitors, all while enhancing the economic benefits to the City with the increased payment of transient occupancy tax (“TOT”). Payment of TOT will further the economic health of the City, while also providing a creative and flexible housing alternative.

b. Typical Occupant

A typical occupant is a college graduate moving to Los Angeles for his or her first job. With student loans and a short credit history, leasing a one bedroom is a financial challenge. As students are often from out of town, finding a compatible roommate is also a challenge. Co-living occupants typically stay for one to two years as they transition to more traditional housing. Due to the transitory nature of their profession, some will need the flexibility of renting for less than 30 days until transitioning to a long term lease. The TORS designation provides flexibility for both short and long term leases to accommodate the type of tenants it attracts Co-living accommodations in the global market usually provide for two different types of users:

- **Co-living aimed at digital nomads** – Guests that have varying lengths of stays from multiple days to less than 30 days. In the U.S., they often use hostel, hotel or AirBnB. Internationally, because of more flexibility with short and long-term lease regulations, co-living companies such as Nine Coliving or Playworking, will require a minimum three-day to a week stay while permitting long term accommodations. Typically, digital nomads will stay three-to-four weeks in the same place.
- **Residential co-living** – More commonly provided in the U.S., it is oriented to young professionals with average stays of nine months to a year.<sup>52</sup>

This model is geared toward "tenants making an average of about \$25,000 a year - 'the front-line workforce,' who "...don't have access to any other type of housing..." according to Padsplit

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<sup>51</sup> See “Coliving: A Nontraditional Affordable Housing Option,” U.S. Department of Housing and Urban Development, Edge PD&R, available at <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-042919.html>.

<sup>52</sup> Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?* . Retrieved from Nexodus: <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>.

founder Atticus LeBlanc.<sup>53</sup> "Their options are in an extended-stay motel that is twice as much or more, so they can't afford it. Or they can look at living in a car or on someone's sofa. That's it."<sup>54</sup>

As shown herein, the TORS use here would *perform a function or provide a service that is essential or beneficial to the community, City, or region* because it enables co-living, which data show can play a key role in reducing homelessness and the cost of housing for middle income Californians.

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

The Applicant is seeking a CUP to allow the construction, use and maintenance of a 54-unit TORS. As indicated above, the surrounding neighborhood include numerous building which are similar to the proposed development. The TORS' proximity to downtown and Hollywood along with local and regional transit services will minimize the dependence of guests on the automobile which will reduce roadway congestion. As shown with the Commission's approval of CPC-20206192-GPJ-VTCJ-HD-MCUP-SPR-HCA, the City already determined that the location, size, height, operations and other significant features will be compatible with and not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety.

The proposed TORS will be compatible with the surrounding urban environment as it would fit within the already approved mixed-use high-rise project, and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety." The TORS designation *will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety* because it will enable co-living, a type of housing that will meet a critical housing need. The operations have no propensity to degrade the surrounding community, because it merely operationalizes a residential use. In specific, the neighborhood has a substantial amount of residential properties, and the Project would add to the mix of available housing, all while providing short-term rental optionality. As such, there would be no adverse effects or further degradation of: adjacent properties or the surrounding neighborhood; or the public health, safety or welfare.

- C. The Project substantially conforms with the purpose, intent and provisions of the General Plan, the applicable community plan, and any applicable specific plan.

The TORS designation *substantially conforms with the purpose, intent and provisions of the General Plan, and the applicable community plan* (there is no applicable specific plan). As explained above, the coliving that the TORS designation enables fills a critical housing need. The General Plan and Community Plan set forth the greater provision and diversification housing types. This is a diversification of housing type.

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<sup>53</sup> Biron, *Under one roof: U.S. cities look to co-living to ease housing crisis*, Thompson Reuters Foundation, Dec. 15, 2020, available at <https://news.trust.org/item/20201215111858-2n2we>. (quoting Atticus LeBlanc).

<sup>54</sup> *Id.*

With regard to TORS, the Community Plan characterizes the Wilshire Center Regional Commercial Center as an area with “a dense collection of high rise office buildings, large hotels, regional shopping complexes, churches, entertainment centers, and both high-rise and low-rise apartment buildings. Nevertheless, while the Community Plan text is otherwise silent with regards to TORS, the Project is consistent with many of the goals and objectives of the General Plan and the Wilshire Community Plan. Therefore, the project is in substantial conformance with the purpose, intent and provisions of the General Plan and the applicable community plan. Consistent with the Wilshire Community Plan because it: "allows for alternative forms of residency, the project increases the housing stock and promotes greater individual choice in housing without displacing any existing residents."

The City’s General Plan Housing Element recognizes the need to provide less costly housing opportunities. “Many housing problems, from overpayment to overcrowding and poor livability, are directly related to the cost of housing. Housing is generally the largest single expense facing American families. Los Angeles has long been one of the least affordable metropolitan areas in the country due to its high housing costs and relatively low household incomes.”<sup>55</sup>

The very first General Plan Housing Element Goal states: “A City where housing production and preservation result in an adequate supply of ownership and rental housing that is safe, healthy and affordable to people of all income levels, races, ages, **and suitable for their various needs.**”<sup>56</sup> (Emphasis Added.) There is a need for innovate and more cost-effective housing, and the TORS units with the co-living component would provide a more flexible and less costly housing opportunity compared to standard dwelling units. The Project would further assist the City in achieving these City Housing Element Policies and Objectives:

Policy 1.1.3: “Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city’s households.”

Policy 1.1.6: “Facilitate innovative models that reduce the costs of housing production.”

Objective 1.3: “Forecast and plan for changing housing needs over time in relation to production and preservation needs.”

Policy 1.3.5: “Provide sufficient land use and density to accommodate an adequate supply of housing units by type and cost within the City to meet the projections of housing needs, according to the policies and objectives of the City’s Framework Element of the General Plan.”

Objective 1.4: “Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.”

Objective 4.1: “Provide an adequate supply of short-term and permanent housing and services throughout the City that are appropriate and meet the specific needs of all persons who are homeless or at risk of homelessness.”

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<sup>55</sup> See City General Plan Housing Element, p. 1-44.

<sup>56</sup> Id. at p. 6-3, Goal 1.

Under Objective 1.1, Housing Program 67: “Amend the Zoning Code to Facilitate Non-Conventional Housing Identify modifications needed in the Zoning Code to facilitate innovative housing types, such as shared housing, congregate living, cooperative housing, modular and pre-fabricated housing, and group quarters.”

The TORS furthers these goals, policies, and objectives of the General Plan, inclusive of the Wilshire Community Plan.

#### **IV. Modification of Conditions of Approval**

In light of the above, the Applicant requests that the City Council modify the following Conditions of Approval:

- Modify Q Condition 3 to add this language from the Commission Staff Report for the Project: **For purposes of calculating the required on-site restricted affordable units, the Transient Occupancy Residential Structure (“TORS”) units shall be considered in total number of units proposed. For the purposes of designating units as on-site restricted affordable units, the TORS units shall be excluded.**
- Add back in Condition 31 from the Commission Staff Report for the Project, modify as follows: **The project shall be permitted a maximum of 54 TORS units consisting of 54 co-living units. (a) To ensure that the TORS co-living dwelling units are used primarily for long term housing, the short term stays (i.e., less than 30 days) must not be more than 25 percent of the nights available for the 270 bedrooms within the 54 TORS co-living dwelling units. (b) Total nights used for short terms stays will be tracked though the project’s payment of Transient Occupancy Tax and enforced by the City.**

## List of Exhibits

Exhibit No. 1: Unofficial Hearing Transcript of Item No. 6, Los Angeles City Planning Commission, April 22, 2021.

Exhibit No. 2: Los Angeles Municipal Ordinance No. 185,931, at § 7, approved Nov. 2018, effective July 2019, available at [http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2\\_ORD\\_185931\\_07-01-19.pdf](http://clkrep.lacity.org/onlinedocs/2014/14-1635-S2_ORD_185931_07-01-19.pdf). This Ordinance exempts TORS units from the newly enacted ban on short-term rentals in multi-family units.

Exhibit No. 3: Navarro, M. (2020, December 18). *What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?* . Retrieved from Nexodus: <https://www.nexodus.com/blog/1414870317/what-is-coliving-is-it-still-profitable-how-did-covid-affect-the-way-coliving-was-evolving/>, accessed May 20, 2021. This article identifies that co-living units can be up to 40 percent more affordable than studio apartments.

Exhibit No. 4: Albers, J., Bitner, D., & Garcia, K. (2020). *Coliving During Covid-19: How Communal Living Has Adapted to the New Normal*. Cushman & Wakefield, available at <https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19> accessed May 20, 2021. This article identifies that even with the pandemic, there is continued demand for co-living.

Exhibit No. 5: Aurand, A., Emmanuel, D., Threet, D., Rafi, I., & Yentel, D. (2021). *The GAP: A Shortage of Affordable Homes*. National Low Income Housing Coalition, available at [https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2021.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2021.pdf). This identifies that in 2019, the City was in third place as the U.S. metropolitan area with the least amount of available affordable rental homes affordable to extremely low income households across the 50 largest metropolitan areas.

Exhibit No. 6: Biron, *Under one roof: U.S. cities look to co-living to ease housing crisis*, Thompson Reuters Foundation, Dec. 15, 2020, available at <https://news.trust.org/item/20201215111858-2n2we>, accessed May 20, 2021. This article identifies shared housing as assisting workers with housing needs for decades, and that shared housing an important tool to combat homelessness.

Exhibit No. 7: *Coliving: A Nontraditional Affordable Housing Option*, U.S. Department of Housing and Urban Development, Edge PD&R, available at <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-042919.html>, accessed May 19, 2021. This article identifies that co-living units are a creative solution to the affordable housing crisis facing adults.

Exhibit No. 8: SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON FINAL RHNA METHODOLOGY & FINAL CONNECT SOCAL at <https://scag.ca.gov/sites/main/files/file-attachments/rhna-draft-allocations-090320-updated.pdf?1602188695> accessed May 20, 2021. The RHNA Allocation identifies the massive amount of housing that must be produced to meet housing demand.

# EXHIBIT 1

**Case No. CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA**

**April 22, 2021 City of Los Angeles City Planning Commission Hearing**

**Item No. 6 Unofficial Transcript**

<b>Speaker Name</b>	<b>Description</b>
Samantha Millman Planning Commission President:	So we will jump into item number 6 which is Case No. CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA. The environmental case number is ENV-2018-3986-SCEA-REC1. The project is located at 514-550 South Shatto Place and various addresses within Council District 13. Commissioners please note that a technical modification was submitted for item 6 and was emailed to all commissioners. Cecilia, are there any day-of-submission for this item?
Cecilia:	Cecilia Lamas, for the record. We have no day-of-submissions for item number 6.
President Millman:	Thank you so much. At this time we will hear from Planning staff. Oliver please go ahead and take as much time as you need.
Oliver Netburn:	Good Morning, Commissioners, Oliver Netburn with the Department of City Planning. Excuse me one second, so I'm going to go ahead and share my screen, ok so, good morning Commissioners, Oliver Netburn with Department of City Planning so the case you have before you as was indicated, case number CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA, with the associated environmental ENV-2018-3986-SCEA-REC1. This property is located 514-550 South Shatto Place and 3119 West 6th Street. As a general overview of the project, the project is 367 unit mixed use development, with approximately 36,400 square feet of commercial floor area. The project will include 42 affordable units which will be a mix of extremely or very low income units. As part of that 367 units, there are 90 transient occupancy residential structure units, which include 54 co-living units 36 standard apartments. Towards the end I will discuss a little bit about the transient occupancy residential structures -- more easily referred to as TORS units. The project also includes 470 automobile parking spaces, 200 bicycle parking spaces and the project provides 33,169 square feet of code required open space, so that's open space that is compliant with the code or with minimum standards of the code, but the project also includes an additional 30,045 square feet of open space which is open space that the code does not necessarily recognize as being open space but would be commonly considered open space. As part of the request, there is a main conditional use application to allow for 10 alcohol establishments all which would be a full line of alcohol within restaurants. The project also currently includes a church building on site which no longer functions as a church but is now as a school. So the project would retain the existing church which was built in 1936 so it would retain that portion of the project site, 19,972 square feet and would convert that to restaurant uses. The requested actions are an Addendum to the original

Speaker Name	Description
	<p>SCEA which was our addendum to the original SCEA which happened in 2019 so that's an addendum to 2018-3986-SCEA and I will discuss a little bit more about SCEA later on at the end of the conversation. As well, there's a general plan amendment pursuant to JJJ to re-designate subject property to general Regional Commercial. There's also is a vesting zone change and height district change, also subject to JJJ to change the property zoning to (T)(Q)-C2-2D. As part of JJJ, the applicant is entitled to three developer incentives. In this case the developer has chosen to have a 25% reduction in open space to provide zero required residential parking spaces so while the project does provide 470 they are requesting that there be zero parking spaces that are required for residential uses. As a part of development incentive, the third development incentive that they have asked for is 24 foot wide drive aisles, typically drive aisles are 25 to 26 feet so this would allow for the drive aisles to be slightly narrower than typical. The project also includes a conditional use for the 90 TORS units that I described earlier, there is also the main conditional use for 10 restaurants with alcohol full line and a site plan review for an increase of more than 50 units. So this project is located in the Wilshire Community Plan area, specifically at the intersection of 6th Street and Shatto Place. There should be a box here, but the project, as I indicated, is at the intersection of 6th Street and Shatto Place the northeast of the intersection, that's Shatto Place and 6th Street. Right here is a view of the site plan so the site plan has been turned to better fit the screen 6th Street is on the right hand side, Shatto Place is along the bottom of the screen so you can see to the right hand side is the existing church building which will be converted to commercial restaurant space. There is then a large plaza area that will be open to the public which faces on to Shatto Place, currently that's a surface parking lot and then the main part of building or the structure of development is the new forty story mixed-use building which, as you can see here includes at the ground floor you can see lobby space, some commercial office space and some commercial restaurant space. But the two primary means for ingress-egress for vehicles is along Shatto Place. So here you can see there is a driveway one way out or one way in along Shatto Place toward the middle of the project site and then a two way ingress-egress that is along the northern edge which is on the left hand side of this image the northern edge of the property which takes you to the subterranean parking levels. Towards the rear is an access to the loading dock and so all trucks and deliveries would be via that alley way. Here is the second floor plan; the commercial -- the church building on the second floor there is commercial office activity and then some back-of-house storage for the uses as well as residential uses. On the third floor we have an open deck amenity for the residents of the building as well as some additional back of house uses and some additional amenities including a gym. [8:43] Here is a typical TORS floor plan and so we can go through this now. TORS, transient occupancy residential structures -- are</p>

Speaker Name	Description
	<p>essentially -- they are dwelling units so they are units that have kitchens. However, they are only permitted for 30 day stays so that is the maximum that they are allowed so they are not long term stays. I wanted to clarify in the request clause the request is for TORS units which includes short term and long term is intended to mean in this instance 30 days; it is not intended to mean beyond thirty days -- so TORS units are restricted to a thirty day maximum tenancy. But here is a typical TORS floor plan, as I indicated there is 54 co-living units which have up to a maximum of five bedrooms, 36 standard apartment sized units. Here is a typical dwelling unit floor plan, which would be the standard for the rest of the development so for about 367 units ____ [9:57] so 277 of the reaming units would be typical dwelling units you know, with kitchens and that are intended for long term tenancies. There is a roof top plan so again this building is 40 stories in height, so this is the rooftop of the 40th story and here you can see there is some commercial ____ [10:40] pool area, fire pits there's a lounge, gyms, outdoor kitchen areas. Here are elevations of the proposed project here is looking at the building from sky height as you can see the church building inside and the closet area is essentially the space between the church area and the taller building the lighter colored building towards the middle is recessed back approximately 50 feet or so, so the plaza area is sort of in that nook. Here is another view of the building, here is the landscape plans outside by the ground floor. Again, you have the main amenity which is this plaza being provided for between the commercial building the first building, and the main 40 story structure. There will be restaurants, there is a restaurant in the middle and then there would also be outdoor dining areas that would face out onto and utilize the plaza area. Here is the third floor landscape plan. There is a pool, outdoor meadow, outdoor gym areas; these are all amenities for the residents. And this is the rooftop plan, again you have a spa area, landscaping, sitting area, barbecue area. So before getting into the technical modifications I want to discuss a little about the TORS units I also wanted to discuss a little bit about this SCEA. So the SCEA, the state passed a State Bill (SB), 375 several years ago which created some streamlined CEQA processes, two of them are these environmental clearances. One of them is called a SCPE, the other is a SCEA, they are both involved sustainable communities and here what the state has done has allowed for a streamlining process for projects which are primarily housing developments but are also located within certain proximity of transit, about a half mile of transit. In this instance what a SCEA does is a SCEA is essentially a, requires the same level of analysis that any MND would require and so there is number of environmental impact categories that must be considered and analyzed and a long with that the development has to implement any of the mitigation measures which are called out in an EIR that has been done consistent with the sustainable communities program. And so in this case the city has SCAG's SCS RTP EIR, which we rely on, and so, a SCEA would have to</p>

Speaker Name	Description
	<p>implement any mitigation measures that are incorporated into that EIR as well as any mitigation measures that are associated directly with the proposed project. And then what the SCEA then does though, is it allows for the city to rely on the standard of review of substantial evidence. So, typically with an MND you would have a standard of a fair argument, and so if someone were to submit technical information or substantial evidence that would refute substantial evidence that the city was relying on, that would be considered a fair argument and would require further analysis and an EIR to be conducted. Through a SCEA, the city is able to rely on the substantial evidence standard which is if there is a categorical exemption. In that case, if the city has substantial evidence to indicate that a project does not have an impact or that a certain mitigation measure would reduce the project's impact, the city can rely on that substantial evidence and move forward with the project as listed. The "fair argument" does not apply to SCEAs --and I am available to answer any questions you may have on that aspect. So, now getting back to this project in particular, yes, we do have a couple of technical modifications. One of the requested modifications is Requested Action number 5, which is to modify - instead of saying "on three levels above the TORS units for short-term and long-term tenancy", it should say "on three levels above the co-living units" and it should also strike out the "for short-term or long-term tenancy," so it should just say "on three levels above the co-living units." As well, we would also like to modify finding number 12, there we indicate referenced to Mitigated Negative Declarations<sup>1</sup> or mitigated declarations, and these should be modified to refer to the SCEA. The third correction is Condition number 10, and there, it's related to parking, the condition requires that the project comply with the code. However, in this instance there are some provisions, some conditions that allow certain deviations from the code, and so the phrase "unless otherwise preempted herein" is to ensure that those deviations that are preempted herein - such as the reduced number of residential parking spaces and the reduced drive aisles are permitted. The last modifications is Condition number 26 and this is to make the project consistent with what the SCEA, product design features called for, and so instead of prohibiting speakers, outdoor systems, televisions permitted on the outdoor patio areas, is to simply require that they be downward and inward facing. So, with that, Staff would recommend that you find that the addendum to ENV-2018-3986-SCEA [ @17:29 ] project, approve and recommend to the [ @17:32 ] City Council, approve the general plan amendment to re-designate the property to Regional Commercial, approve and recommend to the City Council that they approve the vesting zone change and register change subject to JJJ to TQ-C2-2D along with the three development incentives, that you approve the</p>

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<sup>1</sup> Previously referenced in text as "MND"s

Speaker Name	Description
	conditional use for the 90 transient occupancy residential structures units, that you approve the main conditional use for 10 restaurants with a full line of alcohol, that you approve the site plan review for the increase in the number of units above 50, and that you adopt the technical modifications as indicated in the staff report. And so, with that, I am available for any questions.
President Millman:	Thank you, Oliver. I have a quick question, actually. Because of the staff report, the findings for the CUP for the 10 alcoholic beverage sites and the TORS were kind of mixed in, it was a little confusing to follow. What exactly are the findings are for the CUP on TORS? Can you walk us through that please?
Oliver Netburn:	So, the findings for the CUP on TORS are that there are no additional findings like there are for the alcohol. So, in the alcohol there's three additional findings that are required to be made, so with TORS there are only the core findings that we have. And so those are the consistency with the general claim that the project provides a public benefit or is an essential service which is the first conditional use finding, then if the project incorporates any conditions or mitigations and ensures that it is compatible with the surrounding uses - and that's the second conditional use finding, so it's the first three findings within the conditional use section are those findings that are required for the TORS.
President Millman:	Right. And when you say "compliance with the general plan" it's for all of the subsections of the general plan as well, like the land use element and the housing element, etc.
Oliver Netburn:	Right, any of the general plan elements, yes.
President Millman:	Thank you, that's helpful. Karen?
Commissioner Karen Mack:	I was struggling a little bit with the TORS and really understanding what we're talking about here, like is it a hotel? Who's the audience for those, the co-living situation?
Oliver Netburn:	So I just wanted to – TORS units are sort of a hybrid type unit, so typically we see hotels and hotels don't have kitchens. A TORS unit operates like a hotel. I would say that it is more of a hotel than a dwelling unit. It is restricted to a 30 day stay, and so no one is able to rent out a TORS unit for beyond 30 days. The difference between a TORS unit and a hotel unit is that a TORS unit is allowed to have a kitchen in it, and so that is considered a dwelling. But a TORS unit, like I say, you would rent it for 30 days. I think it's intended to allow for people -- for businesses, they may have clients coming into town, people who could be on a business trip for two weeks, three weeks and the idea is that those individuals can stay in effectively, in an apartment. And so they're in an apartment that they've been able to rent for three weeks or four weeks, they don't have to go out to dinner every night, they can go shopping and buy food and eat

Speaker Name	Description
	within their unit. And so I think that's sort of -- ultimately the intent, but they are sort of a mixture - a mixed - or a hybrid type use. But it is, I would consider it, to be more of a hotel use than a dwelling use.
Commissioner Mack:	I mean, so we're thinking like Oakwood Apartments? I mean, is that like the same idea as Oakwood Apartments situation.
Oliver Netburn:	I'll defer to the nods on the Commission --
Commissioner Dana Perlman	Yes, Karen, that's exactly what it is.
Commissioner Mack:	Okay. I mean, my question is - and maybe this is better for our deliberations, is like what is our analysis of the need for this as opposed to like actual housing, so, that's a question that's present for me and perhaps we can talk about it later.
Oliver Netburn:	And, one of the things I did want to add was, you know, is the project - obviously, as you know - is required to provide an affordable set-aside. I think this is a point to make. So the project is required to provide an affordable set-aside. Because the TORS units are dwelling units, we consider those to be a part of the base density, and so when we require a number of affordable units based off the percentage, the percentage used included the 90 TORS units. So the project is 367 units, while 90 of those may only be for 30-day rentals, those 90 units, those TORS units, were actually included in our calculation when we determined the number of affordable units. So the 42 units that you have is based on that total number of units, 367 units which includes the TORS
Lisa Webber: City Planning	Thank you, Oliver and good morning Commissioner Lisa Webber with the City Planning Department. I'm glad Oliver raised that point because that was something that we considered carefully as we were looking at the initiation of this General Plan amendment at the time that it was coming in for our review, that those TORS units be captured as part of the total amount to secure the highest number of covenanted affordable units that would be placed outside of the floors that are be designated as TORS. I do want to add that TORS units are required to be indicated as such on their Certificate of Occupancy and so it is a very specific land use and Oliver is correct, they do frankly function more as an extended-stay hotel type situation. We have several units that have kind of multiple bedrooms with kind of a common living space that, you know, is a popular typology that we see these days for people that are traveling throughout the country. I would also suggest that as part of the applicant's presentation, they could maybe elaborate as to their expectations for how their TORS will operate in this structure as well. My understanding also is that these units and these operators need to register with the Office of Finance as a TORS unit as, in fact, it is a business.

Speaker Name	Description
President Millman:	Thank you. Karen, does that answer your preliminary question? I know that we will definitely dive into this during deliberations
Commissioner Mack:	Yeah, I think so. I think there's a lot to talk about in terms of what the need is, but yeah.
President Millman:	Thank you. Okay, with that we will turn it over to the applicant's representative. I don't know if we're hearing from Timothy Moran or from Ryan Leaderman, but I see Ryan waving, so, Ryan, how much time do you think you'll need?
Ryan Leaderman:	About 10 minutes.
President Millman:	Okay, let's put 10 minutes on and we'll take it from there. Please go ahead.
Ryan Leaderman:	<p>Okay, great. I'm going to share my screen as well. Thank you very much, commissioners, thank you Oliver and staff for getting us to this point, it's been great working collaboratively with staff the last several months. Again, my name is Ryan Leaderman from the law firm of Holland &amp; Knight, representing TF Shatto LP and we have our entire team here in cyberspace: Gensler, Olivier Sommerhalder, ICF, Jesse Barkley and Tim Moran and Alex Irvine from Irvine &amp; Associates, so hopefully we can endeavor to answer any questions that the commission may have. We have done extensive outreach. Recently we went to the neighborhood council, Rampart Village, we've also had discussions with the Young Oak Kim Academy which is south of 6<sup>th</sup> Street. Staff mentioned this is a modified project today. So the project was fully entitled just two years ago, but it was a slightly smaller project and these are renderings and images of what was approved before, and as you can see, the tower was much closer to the church building for this approved project. An opportunity arose to acquire a small office building just immediately to the north of the property and so that enabled us to go ahead and change the development plans by acquiring this additional site slightly to the north. And in the site plan you can see, this is the existing church building and this is where the tower was proposed to be located for the approved project. Gensler is the architect on this as well as SWA is for the landscape architect and these are some of their representative projects. As staff mentioned, the project involves a General Plan amendment to change the land use designation to Regional Center - Commercial which is basically entirely to the south, onto the west and to the east in this Wilshire Center/ Koreatown location. The project site is in very short walking distance to the Red and the Purple line, or I should say the B and D lines, when the Purple line is extended all the way to Beverly Hills and the Westside. It's going to have tremendous regional access as well and this is just a very short distance and a very short walk away. In designing the project, there were a number of different typologies that the developer could have pursued. One would have just been a short, flat building which would have occupied the entire site, it's cheaper construction, but it also doesn't provide any public benefits. You can have</p>

Speaker Name	Description
	<p>an internal courtyard by maxing out the space with a low-slung building. With this project, the ownership decided to do a high-rise, which enables this large public plaza, ownership also chose to put all the parking below ground so that helps to activate the street, so there is no above-ground form of parking, there is no parking podium with this project and as the result of placing the development in the tower, it opens up this entire area for public open space, which is a fundamental part of the project. The project is in Koreatown in the Wilshire Corridor, these are existing buildings that are in the area, and this is where the project took its cues from. This is the Equitable Building, Wilshire Bullock's, and this is the same church building that's on site. And just FYI, there's a basketball court inside that church building -- it's not used as a church anymore, it's used as a gymnasium for a school. And then this gives a little bit more about the architectural language and typology. This is a rendering, looking from the east, looking to the west, the southwest, and you can see this is the tower, you can see some of the distinct architectural language of the tower that Gensler has proposed. These are additional renderings of the project, again, this is the existing church building that would be preserved. This would be the public courtyard - or one of two public courtyards because to the south of the church building, there would also be a courtyard that would be open to the public. This is just an overview of level one, again here is the plaza, the existing church building they both can share the driveway and then the building over here - or the new building, I should clarify. Again, another rendering of the public plaza that would help to activate the street, there would be a small café within that plaza and the project does have a copious amount of open space. When one takes into account that every unit is going to have a balcony along with the different depth levels, whether it's on level 40 or level three and then the public courtyard, there is a tremendous amount of open space that would be provided as a result of the project. And one of the goals of the project is to activate the street, activate the neighborhood. Currently the project site is completely fenced off except for that existing small office building. And so, by opening it up, it would really allow engagement with the community as well. [32:19] And towards the rear of the property, activating the courtyard as well would be retail space and restaurant space. And, it may look like it's a podium, but it's not a vehicular podium, if you will, because the parking is all subterranean. And as you can see the existing conditions right now, it's all fenced off and here, this is a view from 6<sup>th</sup> Street looking to the north. Again, another rendering. Oliver did a great job discussing the modified project and the proposal and this just gives you an outline of some of the changes. What I did want to identify or talk a little bit about the TORS and the co-living. The co-living is by its nature more affordable because what someone does is rent a bedroom within a larger apartment, and so by its virtue a lot of those units just by default are going to be more affordable because they're renting a bedroom that has access to a full</p>

Speaker Name	Description
	<p>apartment. [33:30] The TORS component is that transient occupancy residential structure. Through one of its quirks in the city's municipal code, if there is a kitchen and a guest room... You can't have a kitchen and guest room, that means it can't be a hotel. So it's very difficult to entitle or allow an extended stay in the city of Los Angeles because the municipal code doesn't give that flexibility of having a kitchen that you would have in an extended stay. So the TORS is a great example, or a great tool, to go ahead and allow that flexibility whether for short-term or for long-term. I know that Oliver had mentioned that it would be exclusively for short-term rental. The code does not have that limitation and I think it would be very difficult to kick people out after 30 days, if they wanted to stay longer. And don't forget with the TORS, for occupancies less than 30 days, they are paying TOT which accrues exclusively to the benefit of the city of Los Angeles for those unrestricted tax dollars. And also, as a difference compared to the modified project, or the approved project, there are more affordable units. And as Lisa and Oliver pointed out that the affordable is based upon also, the TORS units, the co-living units and the TORS apartments which are a subset of the entire amount of housing that would be provided. The project also has easy parking and easy wiring and to a greater extent than the approved project. [35:10] A number of project benefits, these include pedestrian-oriented design, all below-grade parking, a tremendous amount of open space activation of the neighborhood, preservation of that church building. A prior developer has proposed its demolition. We are not proposing that, that is not part of the proposal here. The project provides market and affordable housing. The city under its new RHNA obligations has to produce over 450,000 dwelling units, and so this project helps achieve it with market rate and below market rate and it's also a transit priority project. We agree with the staff modifications or requests, there are just a few additional ones that if we could walk through super quickly. Fireplaces just within 30 units. I see I prepared a technical modification or an analysis showing that there's no-</p>
President Millman:	Time.
Ryan Leaderman:	... greater impact.
President Millman:	Ryan, how much longer do you need?
Ryan Leaderman:	I just want to get through these changes, so maybe about another minute and a half?
President Millman:	Let's put on three, just to be safe.
Ryan Leaderman:	Okay, thank you. I'm requesting -- we agree with the staff recommendation about changing the wording of co-living at TORS, I think that was just a typographical error. Main CUP there's a little bit of confusion with how the conditions apply and I'm just trying to avoid conflict during operations, so if it could just be specified that the main

Speaker Name	Description
	<p>CUP applies to... or the conditions to 6 to 30 apply to the main CUP about alcohol. I think that would avoid some ambiguity down the road that we would like to avoid. Parking clarification, totally agree with Oliver and staff just adding unless otherwise granted herein. The amplified sound, completely agree with staff and their changes for the outline, for... and that was just to allow background speakers facing the ground for the outdoor space and the open space areas in that ground level. The CEQA Finding Number 12, it's just replaced as a typographical error. MND replace that with SCEA just to correct that in the finding. Solar panels – this one's an interesting one especially for the commission. All we're just asking is to allow solar panels to... for the water heating system. And so the way that, I think the standard city condition is to have... request photovoltaic systems connected to the electrical system, and if you're doing solar panels just for the water heating system, it doesn't hit the electrical system and they're not photovoltaic. So, it's just a slight difference but it's important because we want solar panels for the water heaters and then another really important one is to allow 41 stories. So there's a little bit of ambiguity, we have 40 occupied stories but the 41st story is a mechanical level. And because there's an elevator lobby over there, and because of the size of that mechanical room penthouse DBS and other city departments may consider that level, and we just...it would just create a whole bunch of nightmares to propose the building of... propose and then all of a sudden we have to cut off the level. So if you could please just modify, and D condition to, to allow 41 stories that would be consistent with the plans that were submitted. Thank you very much, and I'm around, and the entire team is around also to try to answer any questions you may have. Thank you.</p>
President Millman:	<p>Thank you, Ryan. One quick question: So when staff was presenting, they presented that the co-living units would be incorporated within the TORS units. Is that what you're proposing?</p>
Ryan Leaderman:	<p>Yes, that's correct. So there are 90 TORS units. Of those 90 TORS units, 54 are co-living and 36 are standard apartments that would be basically like extended stay and having that flexibility. And so the TORS...the potential short-term would not be on the remainder of the dwelling units. And all those units for the TORS are the lower units in the building so that the affordable units that are mixed in, they're all above the TORS units and so they actually will have better views than the lower TORS units.</p>
President Millman:	<p>Thank you so much. Okay, with that we are going to-</p>
Commissioner Perlman	<p>Wait. Samantha I'm sorry, I just have one quick question. I don't understand the fireplaces. Are you requesting that 30 fireplaces...would those be indoors? Or are you talking about this in the outdoor common area?</p>

<b>Speaker Name</b>	<b>Description</b>
Ryan Leaderman:	Great question, Commissioner Perlman – within the dwelling units. So a limited number of the dwelling units could have fireplaces. Because initially we had proposed no fireplaces, we were concerned about emissions. But ICF examined the air quality emissions and as a result of changing up to 30 dwelling units that could have fireplaces there is no new significant impact as a result of having fireplaces within up to 30 units.
Commissioner Perlman	Okay, thank you.
President Millman:	Thank you so much. Okay, we are going to open up the public testimony portion of this hearing. Each speaker who is called in and press *9 to raise your hand will have one minutes to speak. Marcos will call out the last four digits of your number when it is your turn. Please state your name clearly and proceed with your comment. When you hear a message that states “you are unmuted”, please press *6 to unmute yourself. If you are accessing online via Zoom, please click the raise hand button. Marcos will call out your name when it is your turn. You will see a prompt stating “the host would like you to unmute”, please click on “unmute”, state your name for the record, and begin with your comment. Marcos, please go ahead and call our speakers.
Marcos Godoy:	Good morning, this is Marcos Godoy for the record. Caller Charlie, you’re unmuted.
Charlie Carno:	Hello. Can you hear me?
President Millman:	Loud and clear, Charlie.
Charlie Carno:	Thank you. Well good morning Planning Commission, this is Charlie Carno with Unite Here! Local 11. Local 11 has several concerns with a lot of questions presented by this project, including but not limited to the following. As correctly noted by staff today, you know, the staff suggested the inclusion of 90 TORS units and that they’d provide an alternative form of residency. But that’s more akin to a hotel then a residential unit intended for families living on a permanent basis. To grant the TORS CUP, the city must find TORS provide essential, beneficial use for the area, but there are, I think - by my count - less than a mile from the site something like 13 to 15 hotels already and we have over a thousand hotel units on its way to Koreatown. We don’t need more transient rooms, we need more long term housing. So too, the plans do not give enough information about the location and operation of the TORS. When you mingle TORS with dwelling units, it presents unique issues. It seems at least some of the TORS -- [timer beeps]
President Millman:	Time
Charlie Carno:	Thank you
President Millman:	Thank you, Charlie.

<b>Speaker Name</b>	<b>Description</b>
Marcos Godoy:	Caller Shamari, You're unmuted.
Shamari Davis:	Good morning, My name is Shamari Davis, I'm a business representative for IBEW Local 11 and we are in full support of this project. This project represents a lot for us workers. It's a good JJJ project, it has such great benefits for the community like affordable housing, for instance. But it also provides high quality construction jobs to the members of the community and we're very excited about that. I speak for not just myself, but for everyone I know when I ask you please approve this project and keep the middle class jobs here in Los Angeles. Thank you very much.
Marcus Godoy:	Caller 0934, you're unmuted, please press *6 to unmute yourself
Albert Duarte:	Good morning, Commissioners and thank you. My name is Albert Duarte, I represent the Ironworkers Local 416 and we're in full support of this project, be it a measure JJJ project and what I heard is that there is gonna be some extended stays. I still think that with the project, it's gonna help the developer or applicant be more aggressive on keeping the upkeep on this and making sure that it's as beautiful as the area around it. So, we're in full support of it and the applicant has reached out to pay a fair wage, which is a loud statement. I'm an organizer and I see the difference. On average, we make \$55 thousand a year and the non-union worker makes roughly about \$22 [thousand], and I know this because I -- [timer beeps]
President Millman:	Time
Albert Duarte:	Thank you, thank you for your time.
Marcos Godoy:	Caller Carla, you're unmuted.
Carla:	Hello, can you hear me?
President Millman:	Loud and clear:
Carla:	Okay, well, good morning. My name is Carla and I'm calling today to express my opposition to the proposal project and its inclusion of 90 units that can be short term hotel units. Los Angeles has more hotels in the pipeline than any other place in this country, we need more housing, not more hotels. In Koreatown there are already 1300 hotel rooms coming to our neighborhood. We need to maximize housing. Please, reject the zone change, TORS and other entitlements. Thank you, and have a wonderful day.
President Millman:	Thank you.
Marcos Godoy:	Caller 8197, you're unmuted, please press *6 to unmute yourself
Brian Germaine	Good morning everyone, my name is Brian Germaine, and I'm a representative on behalf of SMART Local Union 105. We are excited about this project because it will provide good paying jobs, hire local

Speaker Name	Description
	residents and use responsible contractors. The applicant has also reached out to the community to ensure that the project is beneficial to Koreatown and the City. We are proud to support this project and strongly urge to approve it. Thank you very much.
President Millman:	Thank you.
Marcos Godoy:	Caller 4821, you're unmuted, please press *6 to unmute yourself
Zach Strasters:	Hi, this is Pastor Zach with Anchor Church, Downtown LA. and thank you, first of all, Commissioners for hearing this project. We're in support for the simple reason that it provides family-sustaining, middle class, wage-earning careers in the construction industry, which is great for our men and women that go through recovery, that need an opportunity. Everyone knows that construction is a great second-chance industry, so we support this project, we're grateful for the housing that's built. We encourage everyone to continue to push for more affordable housing, both short and long term. Thank you, you guys have a blessed day and thank you to the developers for allowing for local hire.
President Millman:	Thank you.
Marcos Godoy:	Caller 8244, you're unmuted, please press *6 to unmute yourself.
Sean Silva:	Hello, Good morning.
President Millman:	Good morning.
Sean Silva:	Hi. My name is Sean Silva and I'm speaking on behalf of Creed LA today. We are completely in support of this project as we have been. And as we have declared before, the proposed project is thoughtful, and it's the sort of mixed-use project that we want to see in Koreatown, which is, of course, Creed's backyard. The entire neighborhood will definitely benefit from this extension of the vibrancy of K-town on to Shatto and keeping the historic church structure while adding a contemporary element is just a cherry on top. This applicant's proposal would create a unique and striking project that blends the past and the future. We are always committed to supporting projects like this one, which offers housing at a time when the city is in desperate need of more residential capacity. Additionally, the 42 units that are being designated specifically for very low and extremely low income tenants will do untold good for the city. We believe this project deserves full approval. Thank you.
President Millman:	Thank you.
Marcos Godoy:	Caller 5684, you're unmuted, please press *6 to unmute yourself.
Samuel Nieto	Good morning. My name is Samuel Nieto and I am a resident of this community. I think most people would approve of this project. The developers are integrating the historic and modern with their intentional design. This project fits in its spot in the city and adds something. More

Speaker Name	Description
	than just the residential and the commercial space, which we need, but it will make L.A. more vibrant. Please consider the project for approval. Thank you.
President Millman:	Thank you.
Marcos Godoy:	Caller 8772, you're unmuted, please press *6 to unmute yourself.
Rachael R Luckey	Good morning Commissioners, this is Rachael Rose Luckey, as of last Tuesday, I am now the President Emeritus of the Rampart Village Neighborhood Council and for the last four years I've been the chairman of the planning and land use committee. We actually reached out to - and I'm speaking on my own behalf - we actually reached out to the developer to get the presentation that we had in March, they did not reach out to us, so it's kind of - it's not right that they're saying they did community outreach to us. We reached out to them. They did not bring their changes to our board or to my planning committee, planning and land use committee for us to take a look at it and actually take a position on it when they had plenty of time to do so, and so I'm not sure what's going on here, but you know, for them to flash the Rampart Village Neighborhood Council on their presentation is not right
President Millman:	Thank you.
Marcos Godoy:	Caller 2531, you're unmuted, please press *6 to unmute yourself.
Gus Torres	Good Morning, My name is Gus Torres, on behalf of Union Local 255, Pipefitters, Welders and apprentices and we are in full support of this project. Projects that we work on support all of us and our families and it's absolutely necessary in this economy for us to advocate for more opportunities for our members. That's why I support projects like this one, which provide middle class and benefits. This was a rough year, but jobs like ours support the middle class. I speak for not just myself but everyone I know when I ask to please approve this project and help middle class jobs. Thank you for your time and God Bless
President Millman:	Thank you.
Marcos Godoy:	Caller [Godfrey], you're unmuted.
[Godfrey]	Good morning, my name is [@50:29] Creed LA. Like my colleague said, we are in support of this project. I think this project is [@50:37 -@50:44] JJJ can deliver for our city. We also liken it to a high quality development that will include affordable housing and other housing needs. And I think if the TORS Units help to create a number of affordable units, that's a great benefit to all of us. Also the fact that it's 30 percent EV parking stalls. That's the most I've ever seen of any project being required, so I think that's so great about the project and we hope that you will approve it. Thank you very much.

Speaker Name	Description
President Millman:	Thank you.
Marcos Godoy:	Caller 5771, you're unmuted, please press *6 to unmute yourself.
Mark Leone	Hi. Good morning, Commissioners, my name is Mark Leone, I'm a member of the community. This community needs the kind of development in this project. The developers placed to build a new and visionary project keeping the old church building and yet maximizes the housing opportunities in our community. The affordable housing that comes along with this will go a long way with the making Koreatown more friendly to our residents. Please consider the project for approval. Thank you.
President Millman:	Thank you. I believe that's the last speaker we have for this item. I believe we don't have a certified neighborhood council and I don't think we have a city council representative, so I'm going to go ahead and close the public hearing testimony. Is there anything staff would like to address before we begin our deliberations.
Oliver Netburn	Yes, Oliver Netburn here, Department of City Planning. So just two comments here on the TORS units. The first one is that TORS units are - this is getting sort of into building code requirements, but - TORS units, as indicated, are more like hotel units, and so the development, or building code requirements for TORS units is more stringent than a typical apartment unit because an apartment unit has a different level of occupancy and is not as much open to the public. So TORS Units, when they're mixed in with a bunch of others in a mixed use development like this, the TORS units have to be all located together and so, that the hallways are all meeting the same requirements for building code, and so that's why you see in the conditions and in the grant that the TORS units say that the co-living are above, the three floors above the apartment units, and that's because essentially the four or five floors that are the TORS units have to be constructed in a way that is consistent with building code. The remaining floors, or the standard apartments that are not TORS units can be built under a different building code standard, so you don't have TORS units that are on one floor and the remaining on that floor are other non-TORS units. All the TORS units have to be clumped together so that they meet the building code requirements. The other thing I wanted to bring up was TORS units by definition are restricted to 30 days or less. So the representative indicated that there is no restriction, TORS units are, by definition, limited to 30 days or less. They may be difficult to have someone move out after 30 days, but the code defines a TORS unit as a place of rental - a dwelling unit place of rental for 30 days or less. Applicants do have to register with the office of finance because it is essentially a business, and so they pay Transient Occupancy Tax, and so it's essentially a hotel at 30 days or less by definition, as the applicant indicates it may be difficult to have someone move out, but it should be

Speaker Name	Description
	noted that if an individual does stay more than 30 days, they then get the rights of the rent stabilization ordinance so at that point they then become essentially tenants who have eviction rights and relocation rights under the rent stabilization ordinance
President Millman:	That? That's the only response? Nothing else? We're good?
Oliver Netburn:	I imagine we'll have other questions so...
President Millman:	Great, thank you. I see Caroline has her hand up, so I will let Caroline kick it off
Caroline Choe: Commission Vice Pres.	You know, Oliver ended up actually clarifying because what I understood from staff was that it was under 30 and so the applicant said they can stay - so really my questions are in regards to why TORS versus a standard hotel, but my understanding is that they can't stay over 30 days. But I see Ryan shaking his head, so is it okay if Ryan speaks, Samantha? Because I'd like to get some clarity on it.
President Millman:	Sure. Please go ahead, Ryan.
Ryan Leaderman:	Thank you. So, the code does not allow kitchens within hotel rooms. That is the municipal code that we as Angelenos are stuck with. The TORS gives you dwelling units that allow short term rental. It's this wonderful invention of the code to bridge that gap to allow extended stay, which technically is not permitted by the code. You've got all these zoning and administrative interpretations for other extended stays that are sort of pieced together through the code. If you're going to follow the code and allow extended stays to have hotel rooms with kitchens, this is the most legally sustainable way to go ahead and do it. Yes, the code says "30 days," but just like you have hotel rooms which are intended for short term occupancy, there's no limitation on 30 days. It's that 30 -- it's intended for 30 days, but as Oliver mentioned, you get tenancy rights if you're there for longer than 30 days, so all we're asking is to allow flexibility to address the market to have kitchens within these rooms, that means if someone wants to stay like say a traveling nurse who doesn't want to eat out every single night, who can cook a meal in his or her own apartment, the TORS allows that. It allows you to stay for six weeks or two months. If we do need to add that clarity, we would like that clarity to have it as short term or long term because that is what we believe is the intent behind the TORS entitlement, to allow a hotel room, if you will, with kitchen, but it can extend to longer term stays, which will help stabilize the neighborhood as well. So there is - it's very clear that it's not just short-term but it also, potentially, is long term, because this is the only way you can legally have extended stay in the City of Los Angeles is to do a TORS because it's a dwelling unit that allows short term stays, and we just want to have that flexibility.

Speaker Name	Description
VP Choe:	Okay, that's very clear now. I understand why we're not doing a standard hotel, it's because of the kitchen. I understand that now, it's very clear to me. I think it's a wonderful project, I think it goes very well with the developments that are happening along Vermont, the new <b>Hankey</b> project. I think it goes very well with the transition of the neighborhood. I really love the use of the church as well, as a restaurant and I just commend the developer for really investing in the project and doing underground parking, which I know that it's very expensive. And I like the architecture as well, I think it's beautiful. There's a little bit of articulation on the roof which wasn't really clear on the staff's presentation but in the documents, you can see a little of that and I think it's a great project and I look forward to it being built
President Millman:	Thank you, Caroline. Karen?
Commissioner Mack	I just wanted to go - I mean was just a little bit confused because on the one hand it's 30 days, but then on the other hand, you can go beyond 30 days, so, like where's the legal line? Is it, like is the tenant breaking the law when they stay longer than 30 days, or, you know, is it the building. I mean, I just want to say, like, bottom line, given the -- how do I describe it... you know, just how out-of-whack our housing market is right now, I mean, you know that that's going to end up being housing for someone. Like that feels like that's what that will ultimately end up as. So, like, I'm just trying to get clarity on what the options are for someone who is going to use it. I mean, is it possible to use it as housing, like really? Because what Oliver's saying and what the applicant is saying is conflicting, so clarify for me.
President Millman:	(@ 1:00:28) on that question and maybe Ryan can answer it. So if someone stays, my guess is that there would be a daily or weekly rate, so at the end of the 30 days if you were to add up that daily or weekly rate, it would probably be a lot higher than the rent on a standard apartment unit. So if someone stays longer than 30 days and they want to stay another four months or a year, is the apartment going to adjust the rent to a more traditional market rent or are they still going to be paying a daily or weekly rate that would not be a typical market rate apartment? Even for a luxury market rate apartment. Which is not really a land use issue, and I understand that, but it goes to Karen's question, like will this become traditional housing?
Oliver Netburn:	Oliver Netburn here, Department of City Planning. I mean, obviously some of those questions are sort of business choices that would be made by the developer. Ultimately, the project as a TORS unit is a business, it would be registered with the Office of Finance and the Department of Finance would then be imposing the Transient Occupancy Tax and so, it doesn't directly answer your question, but the Transient Occupancy Tax is a nightly tax, so if you stay there for one night, you get taxed for one

Speaker Name	Description
	night, you stay there for five nights, you get taxed for five nights, you stay for 45 nights, you're getting taxed each night for 45 nights. And so to the extent that there is an economic impact or a financial impact, the city would be taxing based on the transient occupancy. [1:02:27]
President Millman:	So, to go to Karen's question and, Ryan, if I'm wrong, feel free to jump in, this is going to be a hotel, a hotel-like use, and maybe a longer term stay, but it's going to operate like a hotel. It's not like one of these units would suddenly become a standard rental unit and be leased out for two years.
Ryan Leaderman:	Well, not exactly. It could. So a number of these units are co living. So someone moves to Los Angeles thinking they want to hit it in the entertainment industry and they want a furnished apartment. It's like Oakwood. You just want to have that flexibility -- that there's a gap in the market over here that creates that sort of flexibility where someone could move to the City and go ahead and have that optionality. So the tendency is to provide that flexibility for different living arrangements and you know our society is changing. So this provides that optionality if someone wants to stay for two months, for three months, for longer. And you know this is not that different from what a hotel is. For hotels they're intended for short term occupancy but let me tell you there are a lot of people who live at hotels for years and that's just part of the beast that instead of being so prescriptive, hey let's be flexible over here because people's living situation change and this is designed to address that in some ways. Is taking a class at UCLA or USC for summer they get three months, they've got a lovely place and they may not know anyone so they live in a co-living apartment and they have all of a sudden four other roommates and then you have that social network over there. So for me, maybe that's not how I want to live my life but you know I'm not 25 anymore. You know I'm not a traveling nurse. And so for other people who are not a retiree who might want to move to Los Angeles who are just kind of checking it out and not really sure. So, this provides that flexibility. There's a gap in the market so it's similar to a hotel but not quite a hotel because you have a kitchen and you're not using these tremendous services it's all sort of geared toward the apartment if you will so it's we feel like this is a way to address an untapped market over here.
President Millman	Thank you. O.K., Karen any other questions or comments.
Commissioner Mack	So can I just ask him; so when you say it's meeting an unmet need is there data that you have that says that's an unmet need as opposed to the unmet need of you know the extremely unmet need of affordable housing?
Ryan Leaderman	So, I think before this Commission there have been a number of co-living projects with a number of developers through I don't have the statistics to back it up but there's a demand for all sorts of housing. You know when we looked at the downtown area for the residential hotels. Those are,

Speaker Name	Description
	<p>guess what we have a precedent except those hotels are 70 or 80 years old and people are living there as if that's their residence. Unfortunately, because they are residential hotels they don't have the kitchens. So this could provide a lot more stability by having kitchens over here. And that will be beneficial and they're not going to be as expensive as a standard apartment at least with respect to the co-living unit.</p>
President Millman	Thank you.
Commissioner Mack	<p>O.K. I don't know if I'm settled on that issue but let me move on to another issue. I'm wondering if the professional volunteer program reviewed the design. That's one question and then from the plans that were presented I have a hard time getting the way sort of the pedestrian sense like how the pedestrians are actually going to interact with the space. You know I'm not sure actually how that can be resolved today because we have what we have in terms of maybe the applicant has a different drawing that they could show or different rendering that they could show but you know it's not clear to me that aspect of the design.</p>
Oliver Netburn	<p>Oliver Netburn here with the Department of City Planning. If I could quickly just share my screen again would that be O.K. with you Commissioner Millman? So, here's the ground floor landscape plan and so what you can see is there's the new plaza area and on the right hand side you have the church building which is the two-story building but that doesn't have any real connection with the rest of the remaining structure internally. But obviously, it's an accessible street and Shatto for the commercial church building. But the main pedestrian access to the site is through this public plaza area which is accessed off of Shatto. And so you would walk through the public plaza area and you can see a number of pathways, there's a lot of landscaping but a number of pathways that leads you to the lobby of the main building. So within that lobby of the main building you then have your elevator shafts which would take you up to the second floor which is where there are some commercial office spaces and then obviously up to the remaining floors above. The drive way is just to the left of the plaza area. So you would be coming down Shatto and you would enter the project by making a right hand turn into the [01:08:52] It's a one-way drive way for entrance only and so and then there's the two-way ingress/egress that's further to the left. All vehicular access to the project site is isolated over in that portion of the site. The pedestrian access is essentially through anywhere along Sixth Street and then wrapping around the corner along the plaza area. It should be noted and I'm sure you're probably aware of this but the Wilshire Vermont station is less than 700 ft from this project site and so it is SW of the project site. So anyone who is coming to the property from the station, would be approaching it from the intersection of Sixth and Shatto. And so in order to access the building either the church building or the main building itself</p>

Speaker Name	Description
	you know they would be coming in through the plaza area and that would then give them access directly to the lobby and the restaurant spaces.
Lisa Webber	Commissioner Mack I might add as well we had a prior project approved on this property that was a TOC project and then the applicant subsequently was successful in acquiring additional property which gave them more land to work with and really facilitated their ability to shift the building further away from the existing church building and create a much more robust kind of ground floor open space plaza area a lot more area to really work with to really activate. So we've got all of the restaurants there on the ground floor, we've got the office users that are going to be using that plaza and then of course the other open space amenities. So we actually thought that this was a superior project from a design standpoint to the prior project because again it created more of that more focus on the ground floor. It really activated all of the ground floor of the building and again put all of the parking in those subterranean levels. So for us this really did check a lot of boxes as we look at our city wide design guidelines and our checklist.
Commissioner Mack	And what about the building itself was there any evaluation of that?
Oliver Netburn	There was obviously some discussion and again the primary focus of PVP and the City, as Lisa indicated, [1:11:29] it was this ground floor activity and by locating all of the back of house uses away from sidewalks, away from the public right of way was a main function. The building is 40 stories so it is quite a large building but you know the design of the building the articulation above those first two floors where the building then becomes residential was well received and given that the building does sort of have these two levels, these two podium levels which were consistent or compatible with the church building and so the building doesn't loom directly over the church building and it respects the church building right adjacent to it and then the larger 40-story building is essentially removed or pushed away from the church building by this plaza space.
Commissioner Mack	I mean I do think that the plaza space has a lot of potential to be a resource for the community and an active space just given its relationship to the street. You know as I've been on this commission one of the things that I've been - and it's taking me a long time to you know, kind of understand the relationship between a general plan amendment and this stuff but I feel like when a project gets a general plan amendment it should be really special. It should be like adding something to the community and so that's what I'm struggling with a little bit because although my colleague, Commissioner Choe, is sort of giving me something to think about in terms of thinking about this in the context of other developments that are happening in this area and the relationship between this building and those

Speaker Name	Description
	so that is what I'm thinking about right now. What how is this project really adding something special to this environment here in this neighborhood?
President Millman	Karen? Dana? [1:13:53]
Commissioner Perlman	Thank you. So a couple of - a number of things first of all I think - I really like the project I think the design is really strong. I did not hear a response from staff and I don't see anything to Karen's question, I don't see anything in the staff report about this going to the PVP. Typically a project of this size, especially when there's a site plan review, we have PVP input and we have background on that understand, what happened. If Oliver or Lisa - can someone tell me where did this go to PVP? Was this reviewed by PVP? And do we have comments from PVP?
Oliver Netburn	Oliver here, City Planning. So I did not include the comments; this was reviewed. And the comments were essentially nothing critical and so I guess I did not include the comments unintentionally because there was nothing that was in the comments that were of concern that we wanted to bring to the Commission's attention to say maybe he thought that this should be done and it hasn't been done.
Commissioner Perlman	Okay, I appreciate that Oliver. In the future for me, based on my experience reading these over 9 years I've always seen them in there and I prefer to see them and it's not just for us, it's for the benefit of the community so I think as a matter of course those should be in staff reports for projects where we have site plan review where project goes to PVP. A couple other questions before I get into some of the details. Can you explain to me the open space which I love the design you showed and I looked at the plans quite carefully, how much open space is being provided versus what would otherwise be required for a project of this size?
Oliver	So let me - the project is providing – they've asked for 25% reduction.
Commissioner Perlman	And I understand that.
Oliver	Right- in the required open space. But as I indicated, they're providing upwards of 30,000 square feet of additional open space and so it's just a matter of the bad open space cannot be – you know, the code has very strict limitations as to what can be counted so you can count 50 square feet of a balcony for open space. You can calculate so much internal space.
Commissioner Perlman	I understand that Oliver, however I'm just trying to understand what they're providing. So I've seen the requested entitlements. I've seen the request for incentives. Be it open space or be it parking. It seems to me that we're giving or were being requested to provide very generous incentives. I'll just go on numbers, I'll look at for example on parking, there's a request that we provide an incentive of zero that they're required to have zero residential parking. However, in the plans they're providing 396 residential parking spaces. If that's the case, what is the need for the incentive? I don't

Speaker Name	Description
	want to have a situation where we're looking at one project and I'm not saying that's happening here but there's another one down the road that's actually going to be the one that gets built we know that's happened elsewhere in the city over time. I want to make sure that if this gets approved, that shovel gets to dirt, what's built is what we see.
Oliver Netburn	If I could have the applicant maybe speak a little bit to reason why they ask for the specific requests with regards to the open space. They are providing [1:18:16] a total of 60 - approximately 60,000 square feet of open space and that's the total amount of open space that I think you and I would consider to be open space I think, but as you know, the code is only allowing for us to count 30,000 square feet. So to answer some of your questions in terms of how much open space are they providing, it's about 60,000 square feet of open spaces you and I would I think I understand it.
Commissioner Perlman	So Oliver, help me understand. Can we be more specific than - to protect ourselves to make sure that when we - if we approve the project and issue the entitlements, that that 60,000 square feet of open space to the plans we'll see actually becomes the 60,000 square feet of open space is ultimately available?
Oliver Netburn	I think right now it is not as a condition, but I think if the Commission felt it was appropriate obviously they would have to be a substantial conformance with the plans but if the Commission felt it was important to have as a condition that there be 60,000 or whatever that number is of open space provided, we can make that as a condition of the site plan review, that way projects now provide a minimum of but the open space.
Commissioner Perlman	Great. So I'd like to see that and I would like to see the 396 residential parking spaces that are also in the plans made clear that that's those will be provided. So we don't get into an issue down the road where they say, "Wait a minute, we get to pick zero now". Okay? Those are two things I have concerns of. I see Ryan raising his hand. I'll leave it to you Sam, this is supposed to be the Commission deliberations as you know Ryan and so far you've spoken more than the Commissioners; but if you have a short explanation?
Ryan Leaderman	If I may, for the parking, the city has a requirement that says you have to have one standard stall per dwelling unit, and so by requesting no required parking, it provides a lot more flexibility to have smaller compact parking spaces because not everyone is gonna be driving a giant SUV, if you condition it to 400 or whatever, it's gonna really muck up the plans because we have a lot of compact parking spaces. So there was a method behind the madness over there and so we will be providing the amount of parking that's proposed, we are required to follow the Exhibit A or the drawings, so we just would rather not have that prescriptive limit so as to have the flexibility. And the same thing goes for the open space, we're

Speaker Name	Description
	<p>providing a ton of open space as Oliver mentioned. The code right now is prescriptive: it only gives credit for certain areas, so they're like over 100,000 square feet of open space when you look at the totality, so we're very comfortable doing it with the plans that are proposed, but if you can just be limited to the required it just makes a difference when it's required and when it's not required. We are gonna do all of that open space.</p>
<p>Commissioner Perlman</p>	<p>Ryan I understand - we review scores of these. I probably in my time done over 100 or more projects of this size, this is no different than number of parking spaces it's customary as you know to call that out, the amount of square footage, it's customary to call it out, I just don't want to have a - the lawyer in me looks at this and says, "Wait a minute, if on the one hand we're approving plans that they say 396 parking spaces and I believe they're called out, the size of those spaces in there, and generally they are insert plans in detail, if not that can be done between the applicant and the Department; but those are the plans we've reviewed and would be approving to site plan review. Same with the open space. I don't want there to be a conflict and all of a sudden your client no longer has the project, they sell it off someone else picks it up with the entitlements and they say wait a minute, we can do zero parking, we can do residential, we can cut the open space by 25% -</p>
<p>Unknown Female Speaker</p>	<p>I am going to jump in here real quick, Dana, and pose something. So I think that we have a substantial conformance condition which would require that they conform to the number of parking spaces shown in the plan and the amount of open space shown in the plan if we want to call out substantial conformance including conformance with the parking and open space shown in the plan, that way to ensure that it stays and then we don't run into the code issues that Ryan is concerned about.</p>
<p>Unknown Female Speaker 2</p>	<p>President Millman, that was going to be my suggestion, is really under the Q conditions under a condition number one site development that really speaks to Exhibit A and substantial conformance we can certainly add language that's specific to open space and parking.</p>
<p>Commissioner Perlman</p>	<p>Thank you and I'm sorry to take so much time on that. Now let me dig into TORS briefly. I really appreciate Karen bringing this up. We don't see many TORS projects, in fact I probably can count on one hand less fewer than one hand the amount of TORS projects that have come before us in my time on this. Oakwood at someone pointed out to me, because it's not TORS, Karen it sounds like it, I thought it was too but it's not Oakwood, apparently it has a one month minimum. What TORS is to me is short term rentals. This is a backdoor way around the short term rental restrictions, this Commission's spent this countless meetings dealing with, over a very long period of time and went back and forth with counsel. Those rental restrictions exist for reason and one of the things we talked about at length is we did not want to have developers coming to us building units for the</p>

Speaker Name	Description
	<p>sole reason of being able to take them off the regular housing market and putting them in the short term rental category. I agree with Ryan, there people could come to this city and live in this city that have a variety of housing needs. There are other options available, there is a short term rental market that people could use if they qualify, if they're available we put very strict restrictions in place. I don't like this sort of precedent of having new construction go up with a significant amount of housing units that are not going to be in the regular housing pool, available to the residents because they're going to be put into the short term bucket. And I for one and I'm curious to hear from my other my fellow commissioners as we go around but I for one cannot make the CUP findings necessary for this TORS allowance. I don't think that this enhances the neighborhood. I do not think it performs a service or function that's essential, or beneficial to the community. As one of the members of the public spoke out, we have hotels that do that. And as we've heard from thousands of our fellow residents who have enrolled and followed what they need to do to be in the short term rental market and qualify for the city, there are procedures and protocols for doing that if that's the desire - ultimately have a tenant here or should these be sold and owner let them deal with that, that's my thinking. So other than that, I can support the project but I can't support the CUP on the TORS. Thanks.</p>
President Millman	Thank you Dana. Yvette, please go ahead.
Commissioner Lopez-Ledesma	<p>Thank you for that moment and fully in agreement with some of the comments I've heard from Commissioner Mack and Commissioner Perlman. You know I think - I'll share some thoughts, not really questions but, I feel like there's a lot of gray and uncertainty around this project and we've had a lot of questions around, what is this name change down the line, and that just doesn't sit well. And I think – well, I totally agree on the similarities around like short term rentals. When I read this the other night and as I'm hearing the presentation it does feel a little bit kind of like an AirBNB on steroids a little bit to me like that's just kind of what came to mind. You know, we were trying to create - we know there's transitioning happening throughout our city and I think what we need to create is stability and I don't know if it's really brings us the stability that this neighborhood needs. This is a very rapidly changing neighborhood and as we mentioned on the call and again repeated by Commissioner Perlman just now, we have that hotel option in place and you know I think for us as a Commission to really think about how we are instead of looking to accommodate maybe long term visitors we really need to again remind ourselves that we should be accommodating our existing LA city, LA region, folks that live here and that we know are struggling to stay here and stay in place and so yeah basically I think that also just like the confusion around some of the some of the technical stuff is not sitting well so I just can't say that I'm supportive of this. I know there's business</p>

Speaker Name	Description
	choices as was mentioned that need to be made but it doesn't sit well. Just wanted to share my thoughts on this project.
President Millman	Thank you. I will try and remind Commissions we have a number of entitlements before us and so we can, it's not an all or nothing proposal that is in front of us so we can still approve the project but deny the CUP on the TORS, we can make changes within site plan review to design etc., but as a reminder to my colleagues it is not an all or nothing proposition so I think that as we're thinking about this that may be something to keep front of mind. I'm going to go – Lisa?
Lisa Webber	I wanted to thank you Commissioner President Millman. Lisa Webber with City Planning. There was a reference to the city's Home Sharing Ordinance. And I did just want to provide a bit of clarification. The TORS units are by definition, and I think Commissioner Perlman stated this correctly, they are by definition short term rentals. The definition does say for 30 consecutive days or less, so it's designed for short term rental and it has its own specific residential typology. For that reason, it is not subject to the city's Home Sharing Ordinance. That is for standard rental of short term rental of other types of residential housing units. So, I did want to clarify that that it is a little bit of apples and oranges, but by its very nature a TORS unit is intended for short term rental purposes.
President Millman	Thank you.
Commissioner Perlman	Can I just address cause Lisa [01:30:19] my comment. I appreciate that Lisa thank you for - you're correct of course but just to be clear, we spent a lot of time when we dealt with the short term rental ordinance talking about whether or not we wanted apartment owners to be able to take units and make them short - put them in short term rentals market as opposed to making them available for long term housing needs and we declined to do so.
	Lisa I don't know if you wanna address this too, I apologize President Millman, but when we amended the home sharing ordinance we also did amend the TORS ordinance to make sure - to kind of clarify I think some of its relationships and on there and how the processes went and Lisa I don't know if you have some more information on that?
Lisa Webber	A TORS unit does require a discretionary process a consideration of a conditional use and I think it was mentioned that this body, this decision making body, doesn't see a lot of TORS applications come before it and that's because typically when it says “single entitlement” it goes before the Offices of Zoning Administration or did its decision-making before and associates zoning administrator but because today it's being

Speaker Name	Description
	requested as part of a legislative action that would come to this body, you're seeing that as part of your entitlement package.
President Millman	Thank you. Yvette, do you have any other questions or comments? Okay great I'm gonna go to Helen.
Commissioner Helen Leung	I didn't expect for this to be so complicated cause it seems really simple when I read it. I want to say that it's great to see how the project has as well I think in terms of what is currently approved and what is being asked like it is a better project I wanted to commend that the changes in affordability and also to capture these units as part of the affordable covenant units I think that was a really important balance cause that's what we want. I support this project in general but I do agree with Commissioner Perlman and Commissioner Mack, it is a tricky line to set a precedent for saying like we are - and I want to say that Ryan your team has come up with a way to just be direct that this is short term rental and I think it has a decision making body we have a decision to make up the spirit of how we had long deliberations on short term rentals and what it means for our land use provide a general plan amendment to say we are supporting new development natural term rental and all that comes with it so I think that given where we are as a city and the needs and the fact that we're providing manual permissions that I do not support kind of the TORS component of the CUP only because it's setting a new precedent that we haven't really discussed and [1:33:18] I can't make findings in terms of like well this is a this is a unique need to this area that we need to have 90 of these units be co-living or TORS co-living as part TORS despite having some of the units covenanted. I think it sets a position where if you know if it's gonna be hotel then there's a whole different set of requirements as it was just to be a hotel and it's in this in between where there's, like Commissioner Perlman said, is it tricky and we even heard between deliberations between staff and the developer is it less than 30 days is it more than 30 days? You know it's great that there's transient oriented tax but I don't think that's enough in it and what is more telling is that we're saying like yes we want to support more long term extended days that will be more for our economy and perhaps for visitors but it's not the service of our overall house needs. I support the project with the exception of the TORS CUP and all the other additions that Commissioner Perlman added.
President Millman	Thank you. Jenna? Jen I think you're muted.
Commissioner Hornstock	I am, so I don't know, I'm having them, I keep forgetting to unmute. A lot of things this isn't simple maybe a Lisa the question or all request general plan amendment is not actually for the TORS like there's a package of entitlements before us the general plan amendment has to do with the use and the density, and because their packaging entitlement to CUP is for

Speaker Name	Description
	<p>the TORS and that's what's coming together and why does it important to me is the reason we need a general plan amendment is our codes are outdated and I know city planning is working hard on that, but in terms of setting a precedent we are not being outdated the general plan amendment so that somebody can create short term rentals. We're asking for the general plan amendment for a host of other things related to the density and uses on this project, not the CUP. Just for me it's important to separate that if this were suggesting we're making decisions based on precedent and not wanting set precedent. I think Samantha was nodding so I'm assuming I'm correct when I say that and he said okay. So we're saying is, we don't like or a lot of folks are saying we don't like this CUP request. But it's not the basis of the general sentiment because there are benefits like the JJJ the fact that this is a JJJ project in and of itself should tell us if you know it's going along with a host of community benefits that our voters just like very with high support supported in our in our city. [1:36:06] I'm sorry, I still have clarification on the TORS which is co-living and I looked again at the staff report the TORS has 56 units that are co-living which I think Ryan explained, or like you can rent out rooms for roommates. So are those still meant to be short term rentals both 56 units or is it an easier way to have dorm living? Can I just get clarification? Feels like those are like dorms kind of or like roommate situation.</p>
Heather Bloomers	<p>Hi Commissioner this is Heather Bloomers, City Planning. it's just like a I mean I guess you could say that it's more like a hostel. You know a room in a hostel. I would say it's more like that.</p>
Commissioner Hornstock	<p>Okay yeah, so I'm still kind of listening and deliberating in my head. I fully agree I mean we have a housing crisis that's no doubt, I want to see as many units as possible. At the same time I don't believe you can build a city by dictating every single use that happens then I'll give an example like the State put forward the Surplus Land Act and said that all public lands if it's surplus has to go out for housing. Well if someone who dealt with public private transactions and public land I could tell you sometimes probably and should be an economic development use and not housing so making like these overarching decisions that everything should be housing just philosophically doesn't sit well with me and I was not on the Commission when all the short term rentals especially happens I don't have the benefit of that knowledge but that's where I'm struggling with I understand we have a housing crisis but there are a host of needs that that our city wants to meet with this land use in its decisions and I'm not you know I do think when I go to a city with my family in particular I want to rent a place with the kitchen you know that's what I wanna do when you got kids or if you're living somewhere I did way back when I was young consulting and so there isn't need in a</p>

Speaker Name	Description
	<p>city to support all those uses and although we have a housing crisis I'm looking at a project with you know several hundred units some of them they want to do these short term rentals again I know that we want more housing units but I'm not philosophically totally feeling like there isn't a need for more units that have kitchens cause again it can't be a hotel and have a kitchen. And so this is where I'm stuck and there's more hands up when I listen a little bit more. Last thing I want to say we saw an image of an earlier design that had the roof that was not flat but I do believe the roof and the updated design the new modified project is more flat except for that mechanical shaft I wish that interesting the roofline but I heard someone say oh I like that the roof isn't as flat as I thought, but I do think it's flat. I think we saw earlier image and Ryan's presentation that was pre-modified project and I just I wish it was a little more interesting on top but I'm sure make it usable for the residents so those are my comments right now.</p>
President Millman	<p>Thank you. I see some additional hands raised, I want to make my comments and then I'll go back to those of you who have already spoken. So, I will start by saying I really like this design I can make all the findings on the general plan amendment and zone change. It is such a delight to see general plan amendment and zone changes coming before us that have this affordable housing requirements built within them. we used to have to pull teeth to get above moderate at like 5% on this type of project and here we are seeing meaningful levels of affordable housing on site so I want to thank this applicant for doing something ambitious which a lot of people are not doing right now which is to go for the general plan amendment and zone change under measure JJJ provide the living wage and prevailing wage jobs and of course the affordable housing I love all the publicly accessible open space, the plazas. I think that the huge benefit to this community you know there are a lot of people that live in work in this community and I think that people in the neighborhood will take advantage of it. And overall I really, really like this project. I am going back and forth on the TORS. All the uses that Ryan talked about I loved like I love the travel nurse who is here for a month or two can have a unit with the kitchen and I love this description for the co-living of a student who's here just for the summer being able to you know get a room in a co-living dorm type setup none of those things require a TORS CUP right because you can have a month to month lease under our traditional like with a traditional dwelling unit. I also, as someone with the child, I agree with Jenna like it is great when you're traveling to have a place with the kitchen so that you don't have to take your toddler to a restaurant and have them scream in the before times and hopefully in the soon after time. However, I also think that this is a neighborhood that right now the best essential service and the best beneficial use is housing. If it were in an area like Hollywood or</p>

Speaker Name	Description
	<p>downtown I might feel differently and I do know that there are people that come to Koreatown that are tourists but there are a lot of existing hotel uses and coming on line in Hollywood hotel uses so I'm really I want to listen a little more but I'm iffy on the findings for the TORS although generally, extremely supportive of the project. So I will go next to Caroline. First, Oliver did you have something you wanted to respond to?</p>
Oliver	<p>Yeah just a couple of points on the TORS, so obviously, I was not listening intently to the deliberation of the Commission when they were considering the home sharing ordinance and so I'm sure you guys have much better understanding of what was transpired and what was discussed. One of the things though that didn't come out of that ordinance in the home sharing ordinance was a prohibition that existing residential buildings could not be converted to TORS. So there wasn't as a prohibition or and often an aversion to building from ground up a TORS building. It was... we do not want to see existing residential dwellings taken off of the market and turned into TORS and so there's a specific prohibition so you could not you cannot do a condition only used to do that that is not a conditional use avenue that one can do. Then the other thing I would just point out is in this instance, if they were to remove the kitchens in these TORS units it would be a hotel and so that's the distinction here in this project is with kitchens - it TORS; without kitchens - it's a hotel and so you know whether or not that you know is objectionable for this Commission to consider, but I would just say that sort of distinction between if they were to be requesting a hotel conditional use or a TORS conditional use is the back of the kitchen is part of space.</p>
President Millman	<p>Got it. Thank you Oliver I just wanted to add one thing which is, I want to particularly call out the co-living use here and that I really like it and I love that we're thinking about different typology's of housing in different forms because as we move forward in this new world and with our affordability crisis I do think but this outside the box thinking about how people live is absolutely necessary. So, I do applaud the developer for including that in this proposal. I think we had Caroline next and then Dana.</p>
Commissioner Choe	<p>Just a quick comment, Commission Hornstock reminded me so maybe I looked at the wrong plan I want to make sure that the that group is articulated. So if the applicant would be amenable to just you know making sure that articulated versus flat.</p>

Speaker Name	Description
Ryan Lederman	Ryan Lederman. There is undulation on the screen over there so eventually and I know Olivier was in the room I don't know if you can speak who's the architect.
Commissioner Choe	I thought I did see that undulation as well. Okay, I just wanna make sure that is what will be the design. Jenna spoke exactly to what I was gonna say is that post children we don't stay in a place without a kitchen. So we only look for hotels with kitchens and they're not you know so they're available but they're not you know they're not as common as hotel rooms. So I think there's a need for these types of rooms and I would even argue that in terms of extended stays I don't know how many extended stays are you know hotels we have in Los Angeles and I do think that there just because we take away the TORS I don't think that means there's gonna be more housing, in this particular building. So I would just ask commissioners to think about that and think about the affordable housing that we are getting and it's a wonderful location. It's very central to Metro to other types of transportation. I think if it still it would be really great for the community especially as a you know mixed income building a once again look forward to seeing it built.
President Millman	Thank you Caroline. Dana?
Commissioner Perlman	I think this is great discussion I appreciate everyone's views and input. I want to be clear, I'm not saying that it this does not warrant a GPA. If I said that before my initial comments that was certainly not my intention. What I tried to illuminate was that I could not make the findings for a CUP, the findings for the GPA I think are particular are very much warranted. I again, I think this is a great project. I think it's in an area which cries out for a project like this Koreatown I don't know now but I remember years ago staff presented to us that it was one of the most densely populated areas in the country and it had incredible need for housing. I don't think that's changed because we while we have approved a number of projects there it's been few and far between. I hope this project gets built, and I hope it provides all of these hundreds of units which are desperately needed. I don't think the TOC units or TORS units are needed and that's what I wish to call out I hope that this developer will proceed and build this project without that, because I think that's what is appropriate here. Going back to our short term rental deliberations, Oliver at the time we made very clear at least in our discussions I recall clearly we were very concerned there were a number of buildings that were called out which had been the entire building to have been taken off the rental market and the landlord was renting them out of short term rentals and that was really problematic. The City Attorney was going after some of those that was that was a focus but the discussion was we do not want units constructed for short term rental

Speaker Name	Description
	<p>purposes. Whether they existed or new. That was not at least that was the spirit of the discussion that we had. And though we didn't control the ultimate ordinance or outcomes through Council, but to me again we still have a need in this city -- we talk about this all the time -- for housing units, for people to live in. I agree, look when I travel I love to go in and rent condominiums or homes which is what short term rentals are about that have kitchens that have all these other amenities. Those options are available to us. I believe there are multiple platforms and we went through all this in the short term rental housing system ordinances making sure those platforms exist etc., I don't have any evidence, Karen did ask about specific data, about the need for these, we don't have that in the record before us. And lacking that, I cannot make the findings. What I do know and what I think all of us know because we hear it every single meeting is that we need more housing. And so this project should be built, and it should provide housing it should not be providing short term rentals. That's how I am so - that's where I am and I'm ready to make a motion when someone else will make one and we'll see how we go. Thank you.</p>
President Millman	Thank you. Karen?
Commissioner Mack	<p>I, you know, I just wanna echo what Commissioner Perlman said. I mean it's just like the data is you know hitting us over the head in terms of the housing needs. I mean I just did a Google search of hotels with kitchens and I've got a whole list of places so it's not like that doesn't exist in Los Angeles absolutely does along with the short term rentals. Like if you wanna kitchen just do an Airbnb, there's plenty of those. So I think that you know I mean we just had a judge forcing the city to get homeless people help because it's such it's I mean it's the situation is so out of control so I do not I think that we should be building units that are not housing so I'm totally you know against this aspect of the project.</p>
President Millman	Thank you Karen. Dana?
Commissioner Perlman	<p>I don't see any other commissioners hands up, I will bring a motion to approve staffs recommendations including the technical modifications with the changes that I mentioned before as far as specifying in the Q condition that Lisa mentioned regarding the open space and the parking. And the only change the only other change would be to deny the conditional use permit for the TOR units.</p>
President Millman	Thank you Dana. Do we have a second?
Commissioner Mack	Second

<b>Speaker Name</b>	<b>Description</b>
President Millman	Okay Cecilia we have a first from Commissioner Perlman and a second from Commissioner Mack. Will you please call for the vote?
Commissioner Choe?	Sorry can I just clarify, this is Caroline Choe? So does that mean that the applicant will do just straight hotels? is that what that means?
President Millman	No
Commissioner Perlman	No, it does not. It means the project will get the GPA they'll get the CUP for the zone change they'll get the CUP for the 10 onsite liquor licenses etc., but they do not get the ability to do the short term rental - to use that number of units for short term rentals, they can use them for regular rentals.
Commissioner Choe?	The affordable housing and all that will be adjusted accordingly?
President Millman	The affordable housing would stay as it is because we are approving the -
Commissioner Choe?	It's included, I'm sorry
Commissioner Perlman	It's based on the number of units
Commissioner Choe	And I would know, I mean this is the legislative action so it will still be going through additional processes at the City Council level and the applicant, because they didn't request to do this many number of regular residential units, may choose to adjust the project and reduce the number of overall units by those 90 units so all of that will have to play out following the City Planning Commission meeting.
Commissioner Perlman	But we haven't taken a vote yet so I think we should probably vote and come up with a determination first.
President Millman	Okay Cecilia we have a person a second we could call for the vote. For the record Commissioner Perlman?
Commissioner Perlman	Yes
Cecilia	Commissioner Mack?
Commissioner Mack	Yes
Cecilia	Commissioner Hornstock?

<b>Speaker Name</b>	<b>Description</b>
Commissioner Hornstock	Yes
Cecilia	Commissioner Leung?
Commissioner Leung	Yes
Cecilia	Commissioner Lopez-Ledesma?
Commissioner Lopez-Ledesma	No
Cecilia	Commissioner Choe?
Commissioner Choe	No
Cecilia	Commissioner Millman?
President Millman	Yes
Cecilia	And the motion carries. Thank you so much.

# EXHIBIT 2

**ORDINANCE NO. 185931**

An ordinance amending Sections 12.03, 12.12.2, 12.13, 12.13.5, 12.22, 12.24, 19.01, and 21.7.2 of the Los Angeles Municipal Code to regulate the use of a primary residence for home sharing as an accessory use, and to establish related fees and fines.

**WHEREAS**, in recent years, technology and innovation have expanded the use of short-term rentals (stays of 30 consecutive days or less) as a form of temporary lodging to allow visitors to stay in and experience a local community;

**WHEREAS**, short-term rentals in property other than a primary residence create unfavorable consequences, including negative impacts on the residential character of surrounding neighborhoods and increased nuisance activity;

**WHEREAS**, the conversion of long-term housing units to short-term rentals reduces housing stock and contributes to increased rents and decreased availability of affordable housing. In some cases, large numbers of housing units within a building, or even entire buildings, have been effectively converted to short-term rentals;

**WHEREAS**, the extreme shortage of housing in the City of Los Angeles (the City) has been well documented, and measures are needed to prevent further conversion of long-term housing stock into short-term rentals;

**WHEREAS**, under the Los Angeles Municipal Code, a building may only be used as expressly permitted in the zone in which the building is located, and all uses that are not expressly permitted are prohibited;

**WHEREAS**, the City has prohibited short-term rentals in the City's most restrictive residential zones;

**WHEREAS**, this ordinance will protect the City's affordable housing stock by allowing only an authorized host to share his or her registered primary residence with transient users;

**WHEREAS**, this ordinance will protect the City's affordable housing stock by continuing to prohibit a property owner from converting a housing unit into a short term rental that is not zoned or authorized for transient use.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. The definition of Accessory Use in Section 12.03 of the Los Angeles Municipal Code is amended to include a new final sentence to read as follows:

Home-Sharing shall be considered an accessory use to a residential use.

Sec. 2. The definition of Home-Sharing is added in alphabetical order to Section 12.03 of the Los Angeles Municipal Code to read as follows:

**HOME-SHARING.** An accessory use of a Host's Primary Residence for a maximum of 120 days in a calendar year for the purpose of providing Short-Term Rental in compliance with the registration and other requirements of Los Angeles Municipal Code Section 12.22 A 32. For purposes of this definition, the terms "Host," "Short-Term Rental" and "Primary Residence" shall have the same meaning as defined in Section 12.22 A.32 of this Code.

Sec. 3. Paragraph (d) of Subdivision 1 of Subsection A of Section 12.12.2 of the Los Angeles Municipal Code is amended to read as follows:

(d) Hotels (including motels), Apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 4. Subdivision 1.5 of Subsection A of Section 12.13 of the Los Angeles Municipal Code is hereby amended to read as follows:

1.5. Hotels (including motels), apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 5. Subdivision 11 of Subsection A of Section 12.13.5 of the Los Angeles Municipal Code is hereby amended to read:

11. Hotels (including motels), apartment hotels or hostels when no portion of a structure proposed to be used as a hotel (including a motel), apartment hotel or hostel is located within 500 feet from any A or R zone.

Sec. 6. A new Subdivision 32 is added to Section 12.22 A of the Los Angeles Municipal Code to read as follows:

32. **Home-Sharing.** In all zones wherein residential uses are permitted by right, the following shall apply:

(a) **Purpose.** The purpose of this subdivision is to allow for the efficient use and sharing of a residential structure which is a Host's Primary Residence, without detracting from the surrounding residential character or the City's available housing stock.

(b) **Definitions.** The following definitions shall apply to this subdivision:

(1) **ADMINISTRATIVE GUIDELINES.** The Department of City Planning or Office of Finance may promulgate regulations, which may include, but are not limited to, application requirements, interpretations, conditions, reporting requirements, enforcement procedures, and disclosure requirements, to implement the provisions, and consistent with the intent, of this subdivision.

(2) **BOOKING SERVICE.** Any reservation and/or payment service provided by a Person that facilitates a Short-Term Rental transaction between a Person and a prospective guest or Transient user, and for which the Person collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment of services provided for the transaction.

(3) **CITATION.** Includes any enforcement citation, order, ticket or similar notice of violation, relating to the condition of or activities at a Person's Primary Residence or property, issued by the Los Angeles Department of Building and Safety, Los Angeles Housing and Community Investment Department, Los Angeles Police Department or Los Angeles Fire Department, including an Administrative Citation issued pursuant to Article 1.2 of the Los Angeles Municipal Code.

(4) **EXTENDED HOME-SHARING.** Home-Sharing that is permitted for an unlimited number of days in a calendar year.

(5) **HOSTING PLATFORM.** A Person that participates in Short-Term Rental business by collecting or receiving a fee, directly or indirectly through an agent or intermediary, for conducting a Booking Service transaction using any medium of facilitation.

(6) **HOST.** An individual who is registered for Home-Sharing as the term is defined in Section 12.03 of this Code.

(7) **PERSON.** Shall have the same meaning as that term is defined in Section 21.7.2 of this Code.

(8) **PLATFORM AGREEMENT.** A signed agreement between a Home-Sharing Hosting Platform (Platform) and the City, which, among other things, provides that the Platform will collect and submit the Transient Occupancy Tax to the City on behalf of Hosts and Persons listed for Short Term Rentals.

(9) **PRIMARY RESIDENCE.** The sole residence from which the Host conducts Home-Sharing and in which the Host resides for more than 6 months of the calendar year.

(10) **RENTAL UNIT.** A Dwelling Unit, Guest Room, Accessory Living Quarters, other residential structure, or portion thereof.

(11) **SHORT-TERM RENTAL.** A Rental Unit, rented in whole or in part, to any Person(s) for transient use of 30 consecutive days or less. Rental Units within City-approved Hotels, motels, Transient Occupancy Residential Structures and Bed and Breakfasts shall not be considered a Short-Term Rental.

(12) **TRANSIENT.** Shall have the same meaning as that term is defined in Section 21.7.2 of this Code.

(c) **Home-Sharing Registration.**

(1) **Application.** To register for Home-Sharing, an applicant shall file an application with the Department of City Planning in a manner provided by the Department, and shall include: information needed to verify the Host's identification and Primary Residence; identification of a local responsible contact person; a list of all Hosting Platforms to be used; whether Home-Sharing is for an entire Rental Unit or a portion thereof; and any other information required by the instructions on the application and/or by the guidelines promulgated by the Director of Planning. Payment of any filing fee required under Section 19.01 E. shall be included with the application. If the required information for registration, including any filing fee, is not received within 45 days of submittal of the application, the Home-Sharing registration will be considered withdrawn.

(2) **Eligibility Requirements.** The following requirements must be met at the time of submitting an application for Home-Sharing registration:

(i) The applicant has obtained a Transient Occupancy Registration Certificate from the Office of Finance pursuant to Section 21.7.6 of this Code, unless the applicant exclusively lists his or her Primary Residence on Hosting Platforms that have a Platform Agreement with the City of Los Angeles.

(ii) The proposed Home-Sharing is consistent with the provisions of this subdivision and is limited to the Host's Primary Residence.

a. A renter or lessee shall not engage in Home-Sharing without prior written approval of the landlord. A renter or lessee shall provide copies of the landlord's written approval to the City at the time of filing the application for registration. A landlord may proactively prohibit Home-Sharing by tenants at any or all of the owner's properties by submitting a notification in writing to the Department of City Planning.

b. A Primary Residence that is subject to affordable housing covenants, and/or Chapter 15 of the Los Angeles Municipal Code ("Rent Stabilization Ordinance"), and/or are income-restricted under City, state or federal law, is not eligible for Home-Sharing.

c. No Primary Residence which is the subject of any pending Citation may be registered for Home-Sharing.

d. No Person may apply for or obtain more than one Home-Sharing registration or otherwise operate more than one Home-Sharing Rental Unit at a time in the City of Los Angeles.

(3) **Expiration and Renewal.** A Home-Sharing registration is valid for one year from the date of issuance. It may not be transferred or assigned and is valid only at the Host's Primary Residence. A Home-Sharing registration may be renewed annually if the Host: (1) pays the renewal fee; (2) has complied with the provisions of this subdivision for the past year; (3) provides

information concerning any changes to the previous application for, or renewal of, the Home-Sharing registration; and 4) submits Home-Sharing records described in Subparagraph (e)(2) for the last year to demonstrate compliance with this subdivision, unless the Host lists exclusively on a Hosting Platform with a Platform Agreement that includes a provision for pass-through registration for applicants for a Home-Sharing registration. The records described in Subparagraph (e)(2) shall be made public to the extent required by law.

(4) **Suspensions and Revocations.** Notwithstanding any other provision of this Code to the contrary, the Director may require the suspension, modification, discontinuance or revocation of any Home-Sharing registration if it is found that the Host has violated this subdivision or any other city, state, or federal regulation, ordinance or statute.

(i) **Suspension.** If a Host receives two Citations, the Host's Home-Sharing registration shall be suspended for 30 days or as long as at least one Citation is open, whichever is longer. The suspension shall become effective 15 days after the mailing of a Notice of Intent to Suspend the Host. If a Host initiates an appeal of either Citation, the suspension will take effect only if the appeal is not resolved entirely in the Host's favor.

a. A Host may challenge a Citation by submitting an appeal to the City department that issued the Citation and providing notice to the Department of Planning as described in the Administrative Guidelines.

b. Where no process is described in the Citation, a Host may challenge a Citation by submitting an appeal to the Director of Planning in accordance with the process in Section 12.24 Z of this Code, with no further appeal to a Commission or City Council.

(ii) **Revocation.** If three Citations have been issued to the Host and have been sustained (after exhaustion of any related remedies, including appeals) within a registration year, the Host's Home-Sharing registration shall be revoked. The revocation of a Host's Home-Sharing registration shall become effective 15 days after the mailing of a Notice of Intent to Revoke to the Host.

a. A Host may challenge a Notice of Intent to Revoke by submitting an appeal to the Director of Planning in accordance with the process in Section 12.24 Z of this Code, with no further appeal to a Commission or City Council.

b. Pursuant to the revocation, the Host shall be prohibited from participating in Home-Sharing for one year from the effective date of the Notice of Intent to Revoke.

(iii) Modification. The Director may modify, discontinue or revoke any Home-Sharing registration based upon an order to show cause, pursuant to Section 12.27.1 B of this Code, why any proposed modifications, discontinuances or revocations of any Home-Sharing registration should not be issued. The Director shall provide notice to the Host and/or recorded owner and lessee(s) of the Host's Primary Residence to appear at a public hearing at a time and place fixed by the Director to respond to the Director's order to show cause.

(d) **Prohibitions.**

(1) No Person shall offer, advertise, book, facilitate or engage in Home Sharing or Short-Term Rental activity in a manner that does not comply with this subdivision.

(2) A Host may not participate in Home-Sharing unless all advertisements clearly list the City-issued Home Sharing registration number or pending registration status number.

(3) No Host shall engage in Home-Sharing for more than 120 days in any calendar year unless the City has issued the Host an Extended Home-Sharing registration pursuant to Paragraph (h).

(4) Accessory Dwelling Units for which a complete building permit application was submitted on or after January 1, 2017, to the Department of Building and Safety pursuant to Section 12.26 A.3 may not be used for Home-Sharing, unless an applicant demonstrates the Accessory Dwelling Unit is the applicant's Primary Residence.

(5) No Host shall offer, advertise, or engage in Home-Sharing in a non-Residential Building, including but not limited to, a

vehicle parked on the property, a storage shed, trailer or any temporary structure, including, but not limited to, a tent.

(6) If a Host lists a Primary Residence on multiple listings on multiple Hosting Platforms, only one listing may be booked at any given time.

(7) A Host may not rent all or a portion of his Primary Residence for the purposes of Home-Sharing to more than one group of guests or under more than one booking, at any given time.

(8) Home Sharing is not permitted in buildings that have been converted from units subject to Chapter 15 of the Los Angeles Municipal Code ("Rent Stabilization Ordinance") to single family homes until five years after the date of conversion.

(9) Except for allowable Home Occupations, non-residential uses including, but not limited to, sales or exchange of products, events that charge a fee, or the promotion, display or servicing of any product shall not be permitted during Home-Sharing activity.

(10) A Host shall only advertise on a Hosting Platform that was listed on the Host's Home-Sharing application form, unless the Host has submitted a written request and received written approval from the Department of City Planning to use another Hosting Platform.

(11) No more than 2 overnight guests (not including children) are allowed per habitable room, not including kitchens, during Home-Sharing activities.

(12) There shall be no use of sound amplifying equipment, as that term is defined in Section 111.01(j) of this Code after 10:00 pm and no evening outdoor congregations of more than 8 people (excluding children) during Home-Sharing activities. Home Sharing activities are subject to the noise regulations in the Los Angeles Municipal Code.

(13) A Host whose Home-Sharing registration has been suspended is prohibited from participating in Home-Sharing for the duration of the suspension.

(14) A Host whose Home-Sharing registration has been revoked may not participate in Home-Sharing unless and until a new registration is authorized.

(e) **Host Requirements.**

(1) A Host may be responsible for any nuisance violations, as described in Section 12.27.1.B of this Code, arising at the Host's Primary Residence during Home-Sharing activities. The Host, or owner of the Host's Primary Residence if the Host does not own it, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(2) The Host shall keep and preserve, for a minimum period of three years, all records regarding each Home-Sharing stay, including the length of stay and the price paid for each stay, and any other records required by Administrative Guidelines promulgated by the Director.

(3) On the Home-Sharing registration application, a Host shall acknowledge and consent to Office of Finance and other City agencies' inspection of records at all reasonable times and places for purposes of enforcement of this Subdivision.

(4) The Host shall fully comply with all the requirements of Article 1.7 of the Los Angeles Municipal Code (establishing the Transient Occupancy Tax) and successor Sections.

(5) The Host shall pay a per-night fee for each night of Home-Sharing, which will be deposited into the Short Term Rental Enforcement Fund per the requirements in Section 5.576.1 of the Los Angeles Administrative Code. The City Council shall adopt, by resolution, a per-night fee based on an analysis of the cost of implementing, maintaining, and enforcing this subdivision.

(6) Every Host shall provide and maintain working fire extinguishers, smoke detectors, and carbon monoxide detectors, in compliance with fire, life and safety codes; information related to emergency exit routes on the property and contact information, including the contact information of the Host or a designated responsible agent of the Host.

(7) Every Host that lists a Primary Residence located in a Very High Fire Hazard Severity Zone designated by the City of Los Angeles Fire Department pursuant to Government Code Section 51178 shall include in all Host listings and post written notices on any patio or deck that smoking is not permitted in any exterior of the property.

(8) Every Host shall provide a code of conduct to guests that includes the relevant provisions of this Subdivision and other information to address behavioral, safety, security, and other matters, as required in the Department's Administrative Guidelines.

(9) Every Host shall authorize any Hosting Platform on which his or her Primary Residence is listed to provide to the City the Host listing and other information described in in Subsection (f)(4).

(10) Every Host must consent to receive all City notices and citations regarding their Home-Sharing registration by U.S. mail.

**(f) Hosting Platform Responsibilities.**

(1) Hosting Platforms shall not process or complete any Booking Service transaction for any Person unless the Person has a valid Home-Sharing registration number issued by the City or a pending registration status number.

(2) Hosting Platforms shall not process or complete any Booking Service transaction for any Host listing that has exceeded the authorized 120-day limit in one calendar year unless the Host has obtained an Extended Home-Sharing approval.

(3) Within 45 days of the effective date of this Ordinance, Hosting Platforms with listings located in the City shall provide to the Department of City Planning contact information for an employee or representative responsible for responding to requests for information, including requests related to possible violations of this Subdivision. Hosting Platforms that commence listings in the City after the effective date must provide this information prior to facilitating Home-Sharing activity or providing Booking Services within the City.

(4) Subject to applicable laws, a Hosting Platform with listings in the City shall provide to the Department of City Planning, on at least a monthly basis, in a format as specified by the City, the Home-Sharing registration number of each listing, the name of the person responsible for each listing, the street address of each listing and, for each booking that occurs within the reporting period, the number of days booked.

(5) In the event a Hosting Platform has entered into an agreement with the Office of Finance to collect and remit Transient

Occupancy Tax pursuant to Los Angeles Municipal Code Section 21.7.1 et seq., and a Host has assigned the responsibilities for the collection and remittance of the Transient Occupancy Tax to the Hosting Platform, then the Hosting Platform and the Host shall have the same duties and liabilities, including but not limited to the collection and remittance of the tax to the City on a monthly basis.

(6) **EXCEPTION.** The provisions of this paragraph shall not apply to a Hosting Platform whenever it (a) complies with the Administrative Guidelines, issued by DCP and approved by resolution of the City Council, that describe how the Platform shall satisfy the Hosting Platform responsibilities in this paragraph, or (b) enters into a Platform Agreement, the terms of which shall be set forth in a master Platform Agreement approved by the City Council, that establishes the manner in which the Hosting Platform supports the City's enforcement of this subdivision and meets the purposes of the Platform responsibilities in this paragraph. Each individual Platform Agreement shall be approved by the City Council.

(g) **Enforcement of Violations.**

(1) The provisions in this Subsection shall be in addition to any criminal, civil or other legal remedy established by law that may be pursued to address violations of this Subdivision.

(2) Any Person who has failed to comply with the provisions of this Subdivision may be subject to the provisions of Section 11.00 of this Code. The owner and/or operator of any property used for Short Term Rentals, including the Host or owner of any Host Primary Residence, may be assessed a minimum inspection fee, as specified in Section 98.0412 of this Code for each site inspection.

(3) The Director may, at any time, require the modification, discontinuance, or revocation of any Home-Sharing registration in the manner prescribed in Subparagraph (c)(4).

(4) The ACE program in Article 1.2 of this Chapter may be utilized to issue administrative citations and impose fines pursuant to this Subdivision. The citation shall be served by personal service or by depositing in the mail for delivery by the United States Postal Service, in a sealed envelope, postage prepaid, addressed to the operator of the Short Term Rental, the Host, and/or the property owner, if different than the operator or Host, shown on the County's last equalized property tax

assessment roll. Fines for violations of this subdivision shall be as follows:

(i) Hosting Platform: a \$1,000 fine per day shall be imposed for any of the following violations:

a. Completing a Booking Service transaction for each listing without a valid City Home-Sharing registration number or pending registration status number.

b. Completing a Booking Service transaction for each listing where more than one property is affiliated with a single Host, or each listing where the Host's home address does not match the listing location.

c. Completing a Booking Service transaction for any listing for a Rental Unit where the Host's Home-Sharing or Extended Home-Sharing registration has been revoked or suspended by the City.

d. Completing a Booking Service transaction for any Rental Unit lacking Extended Home-Sharing approval that has exceeded the authorized 120-day limit for hosting Short-Term Rentals in one calendar year.

(ii) Owner of Primary Residence and/or Host and/or Person:

a. A daily fine of \$500, or two times the nightly rate charged, whichever is greater, for advertising a Rental Unit for the purposes of Short-Term Rental in violation of this Subdivision.

b. A daily fine of \$2,000, or two times the nightly Rent charged, whichever is greater, for each day of Home-Sharing activity beyond the 120 day limit in a calendar year, unless the Host has a valid Extended Home-Sharing Registration.

c. For all other violations of this subdivision, the administrative fine shall be levied according to the amounts described in Section

11.2.04(a)(2) of this Code. The square footage for the use in calculating the fine shall be the amount of indoor space to which the Transient guest has access. If the square footage is unable to be ascertained, it shall be deemed to be between 500 and 2,499 square feet.

(iii) The fine amounts listed above shall be updated annually, from the date of effective date of this ordinance, according to the Consumer Price Index for All Urban Consumers (CPI-U).

(h) **Extended Home-Sharing.** For Hosts who participate in Extended Home-Sharing, the following shall apply:

(1) **Application and Eligibility Requirements.**

(i) **Ministerial Approval.** Extended Home-Sharing may be approved by the Director if, in addition to the eligibility requirements for Home-Sharing, all of the following requirements are met:

a. The Host maintains a current Home-Sharing registration and has maintained a Home-Sharing registration for at least six months or has hosted for at least 60 days based on substantial evidence provided by the Host or Hosting Platform;

b. No more than one Citation was issued within the prior three years; and

c. The Host provides proof of mailing of a notification concerning commencement of Extended Home-Sharing, which includes a Director-issued publication outlining the complaint process, to adjacent and abutting owners and occupants on a form provided by the Department.

(ii) **Discretionary Approval.** A discretionary review of an Extended Home-Sharing application is required if the Host complies with Subparagraph (h)(1)(i)(a), but two Citations have been issued within the prior three years.

a. If the Director finds that the matter may have a significant effect on neighboring properties, the Director may set the matter for public hearing.

Written notice of the hearing shall be sent by First Class Mail at least 21 days prior to the hearing to the applicant, owners and tenants of the property involved, owners and tenants of all properties adjacent and abutting the proposed Extended Home-Sharing activity, the City Councilmember representing the area in which the property is located, and the applicable Neighborhood Council. If the Director determines that the matter will not have a significant effect on neighboring properties, no hearing shall be held.

b. The Extended Home-Sharing application may only be approved if, in addition to the eligibility requirements for Home-Sharing, all of the following requirements are met, to the satisfaction of the Director of Planning:

1. The Host provides proof of mailing of a notification, which includes a Director-issued publication outlining the complaint process, to adjacent and abutting owners and occupants on a form provided by the Department;

2. In consideration of any comments received by the public on the application, the Director finds the use is in substantial conformance with the following findings:

A. That the Extended Home-Sharing will enhance the built environment in the surrounding neighborhood or will perform a function or provide a service that is essential or beneficial to the community, city or region;

B. That the Extended Home-Sharing operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, the availability of housing, or the public health, welfare, and safety;

C. That the Extended Home-Sharing substantially conforms with the purpose, intent, and provisions of the General Plan, the applicable community plan, and any applicable specific plan; and

D. That there is no substantial evidence of continued nuisance behavior from the location.

c. If no appeal is filed within 15 days from the date of the Director's determination approving or denying an Extended Home-Sharing application, the Director's decision is final. An appeal to the Area Planning Commission may be filed by the applicant or any adjacent and abutting owner and occupant. An appeal shall be filed at the public counter of the Planning Department within 15 days of the date of the Director's decision. The appeal shall set forth specifically how the appellant believes the Director's findings and decision are in error. The Area Planning Commission may grant, conditionally grant or deny the appeal. The failure of the Commission to act upon an appeal within 75 days after the expiration of the appeal period, or within an additional period as may be agreed upon by the applicant and the Director, shall be deemed a denial of the appeal and the original action on the matter shall become final.

(2) **Ineligibility.** If the Host's Home-Sharing registration has been suspended or revoked, the Host is not eligible to apply for Extended Home-Sharing for two years from the effective date of the revocation or suspension or as long as a Citation remains open or unresolved, whichever is later.

(3) **Expiration and Renewal.** An Extended Home-Sharing registration is valid for one year from the date of issuance. An Extended Home-Sharing registration is subject to the same expiration and renewal terms described in Subparagraph (c)(3) and may be renewed annually if the Host meets the same renewal requirements in that subparagraph.

(4) **Revocations.** An Extended Home Sharing approval shall be revoked if there are two Citations within a registration year in accordance with the process set forth in Paragraph (c)(4).

Pursuant to the revocation, the Host shall be prohibited from participating in Home-Sharing for two years from the effective date of the Notice of Revocation or as long as a Citation remains open or unresolved, whichever is later.

(i) **Administration and Regulations.** No Person shall fail to comply with the Administrative Guidelines.

(j) **Effective Date.** This ordinance shall take effect on July 1, 2019.

(k) **Severability.** If any provision of this Subdivision is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this Subdivision which can be implemented without the invalidated provisions, and to this end, the invalid provisions of this Subdivision are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

Sec. 7. Section 12.24 W.24 of the Los Angeles Municipal Code is amended to read as follows:

(a) Hotels (including motels), apartment hotels, or hostels in the CR, C1, C1.5, C2, C4, and C5 Zones when any portion of a structure proposed to be used as a hotel (including a motel), apartment hotel, or hostel is located within 500 feet of any A or R Zone.

(b) Hotels (including motels), apartment hotels, or hostels, in the M1, M2 and M3 Zones when more than half of the lot on which the use is located is in the CR, C1, C1.5, C2, C4, C5 or CM Zones. In approving a request for a use in the M1, M2 and M3 Zones, the Zoning Administrator, in addition to the findings otherwise required by this section, shall also find that approval will not displace viable industrial uses.

(c) Hotels, motels or apartment hotels, in the R4 or R5 Zones, unless expressly permitted by Sections 12.11 or 12.12. In the R5 Zone, incidental business may be conducted, but only as a service to persons living there, and provided that the business is conducted within the main building, that the entrance to the business is from the inside of the building and that no sign advertising the business is visible from outside the building. If the proposed use is to be established by the conversion of an existing residential use, then a relocation assistance plan shall be drawn up and approved in a manner consistent with Section 12.95.2G.

(d) Hotels and motels in the M1 and M2 Zones when expressly permitted by the applicable community or district plan.

(e) Transient Occupancy Residential Structures in the R4 and R5 zones as well as the CR, C1, C1.5, C2, C4, and C5 Zones. Approval of a partial or complete conversion from another residential use to a Transient Occupancy Residential Structure under this paragraph shall not be permitted.

Sec. 8. The table in Paragraph N of Section 19.01 of the Los Angeles Municipal Code is amended to add a fee for a fourth type of application as follows:

**N. Modifications or Discontinuance of Use Pursuant to Nuisance Abatement Proceedings.**

**[FILING FEE]**

Type of Application	Fee
Home-Sharing Administrative Hearing (Section 12.22.A.31)	\$20,000
Imposition of Conditions (City Issued) (Section 12.27.1)	\$58,354
Modification (Applicant Initiated) (Section 12.27.1)	\$48,182
Plan Approval for Revocation Case (Section 12.27.1)	\$48,182

Sec. 9. A new paragraph T is added to Section 19.01 of the Los Angeles Municipal Code to read as follows:

**T. Home-Sharing Registration Application Fee.**

<b>Type of Application</b>	<b><u>Fee</u></b>
Home-Sharing Application or Renewal (Section 12.22 A.31)	\$89
Extended Home-Sharing Administrative Clearance (Section 12.22 A.31)	\$850
Extended Home-Sharing Discretionary Review Application (Section 12.22 A.31)	\$5,660
Extended Home-Sharing Renewal (Section 12.22 A.31)	\$850

Sec. 10. Subsection (b) of Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

(b) **Hotel.** “**Hotel**” means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, Short-Term Rental as defined in Section 12.22 A.31 of this Code, Home-Sharing as defined in Section 12.03 of this Code, motel, studio, hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof, and shall further include any trailer court, camp, park or lot where trailer spaces, or combinations of such spaces and trailers, including mobile homes, are occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.

Sec. 11. The first paragraph of Subsection (f) of Section 21.7.2 of the Los Angeles Municipal Code is amended to read as follows:

(f) **Operator.** “**Operator**” means the person who is either the proprietor of the hotel or any other person who has the right to rent rooms within the hotel, whether in the capacity of owner, lessee, mortgagee in possession, licensee or any other capacity. The owner or proprietor who is primarily responsible for operation of the hotel shall be deemed to be the principal operator. If the principal operator performs or assigns its functions, in whole or in part, through a managing agent, a booking agent, a room seller or room reseller, or any other agent or contractee, including but not limited to Hosting Platforms as

defined in 12.03 of this Code, on-line room sellers, on-line room resellers, and on-line travel agents, of any type or character other than an employee, those persons shall be deemed to be secondary operators.

Sec. 12. **Severability.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions and, to this end, the provisions of this ordinance are declared to be severable. The City Council hereby declares that it would have adopted each and every provision and portion thereof not declared invalid or unconstitutional, without regard to whether any portion of the ordinance would subsequently be declared invalid or unconstitutional.

Sec. 13. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By *Amy Brothers (Skon)*  
AMY BROTHERS  
Deputy City Attorney

Date 12-7-18

File No. 14-1635-52

Pursuant to Charter Section 559, I **disapprove** this ordinance on behalf of the City Planning Commission and recommend that it **not** be adopted . . . . .

December 2, 2018

*Ken J. Kelly*  
VINCE BERTONI

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than two-thirds** of all its members.

CITY CLERK

MAYOR

*Holly Lynn Wolcott*

*E. Garcia*

Ordinance Passed 12/11/2018

Approved 12/17/2018

Published Date: 12/24/2018  
Ordinance Effective Date: 07/01/2019  
Council File No.: 14-1635-S2

# EXHIBIT 3



COLIVING

Marc Navarro on Dec 18, 2020

# What is coliving - is it still profitable? How did COVID affect the way coliving was evolving?

According to [Wikipedia's definition](#), **coliving** is a residential community living model that accommodates three or more biologically unrelated people. Generally, coliving is a type of intentional community that provides shared housing for people with similar values or intentions. The coliving experience may simply include group discussions in common areas or weekly meals, although will often extend to shared workspace and collective endeavours, such as living more sustainably. An increasing number of people across the world are turning to coliving in order to unlock the same benefits as other communal living models or cohousing, including [‘comfort, affordability, and a greater sense of social belonging.’](#) Coliving as a modern concept traces its origins to shared living models of the 19th and 20th centuries such as [tenements](#) in the UK, [boarding houses](#) in the US, and [chawls](#) in western India, yet ancient forms of communal living such as the [longhouse](#) date back thousands of years. Its contemporary form has gained prominence in recent years due to a combination of factors including increased urbanisation rates, a lack of affordable housing options, and a growing interest in lifestyles not dependent upon long-term contracts.

The truth is that when we talk about **coliving**, we are talking about **two very different things** which solve different problems, target different audiences and compete in different sectors. On the one hand, there is coliving aimed at digital nomads, and on the

other hand, we have residential coliving, which has recently enjoyed the greatest media coverage and has aroused the greatest interest among investors.

In a **coliving for digital nomads**, explains [Jon Hormaetxe](#), General Manager at [Sun and Co. Coliving](#), guest stays are on average 3 to 4 weeks long. We can find them almost anywhere in the world: from paradisiacal areas in holiday destinations such as Canggu or Ubud, [in the north of Serbia](#) (almost three hours from Belgrade Airport and a stone's throw from the Romanian border) or in central London, Barcelona, Buenos Aires, Hong Kong, or Cape Town. It competes in the tourism sector and its potential users will compare it with the hotel or Airbnb offering in that area when deciding what is best for them.



[Sun and Co.](#), a coliving community in Xàbia, Spain

**Residential coliving**, however, is mainly oriented to young professionals, but there is enough diversity that we can find spaces whose demographic ranges from *slow-mads* to families or other audiences. It competes in the residential sector - the stays are on average 9-10 months, and is usually based in conventional flats. A few developers have created new buildings to create the perfect coliving spaces. This type of coliving is usually found in locations where there is a lot of residential demand, generally big cities.

The value proposal between both models varies, but they have points in common. Both models are intended to be a cure for loneliness and can provide friends from the first minute. Sharing experiences during a short stay or as a way to integrate faster in a city.

In the case of residential coliving, other advantages are that it reduces the complexity exponentially for those people who are settling in a city. Having only one supplier, one bill and one stakeholder simplifies things - it may not seem so to you, but arriving in a new country and settling in includes learning new rules, customs and bureaucratic

systems over and over in a language unfamiliar to you. Did you know for example that in Germany, it is not uncommon that a newly-rented apartment doesn't have the kitchen installed? For someone from Spain, for example, this is out of the ordinary.

This is the theory, but if we look a little deeper into the coliving industry we can find some interesting thoughts, such as those shown in Coliving Insights' [first publication](#) (published in March 2020) which analyses the current models of the companies in the sector that the publication considers most relevant. The document is worth reading in its entirety, but I would like to highlight some of the key points discussed.

**At a business model level**, coliving is based on creating a more dense residential use of space, combining shared amenities in a curated environment. The configurations of private spaces and amenities are greatly varied but so far, *'operational layers tend to be limited and driven as cost centres with the majority not generating much non-rental income.'* They all add *'Convenience and easy access to real estate is in varying degrees delivered by all operators.'*



As for the target audience and value proposition, there remains room for improvement. *'The other common thread is a focus on a young and mobile target demographic, although some are seeking to expand their offerings. **The value proposition to consumers does not seem to have a direct relationship to pricing.** Clearly, some operators are more adept at understanding and addressing their audience.'*

But when it comes to communities in coliving spaces, according to Coliving Insights, it seems that there is still work to be done: *'There certainly is one thing they all share - the promise of Convenience and Community. Interpretations as to what that means, and how strong the commitment to that promise is, fluctuate widely, however.'* They go on to say, *'Community and experience are a state of mind and not easy to measure. Yet they*

*drive engagement and value in very tangible ways. Successful examples tend to combine human focused culture with thoughtful design, top-down driven content and grassroots activation. Across the group this element appears elusive and the most difficult to achieve in meaningful ways.'*



Jon Hormaetxe highlights the model of the French operator, [Colonies](#), which creates sub-units of 15 people to share common spaces within its buildings. These micro-clusters, created according to the affinities detected in the video interview before entry, facilitate interaction and generate smaller communities that most people find more comfortable. They also bring members closer, both physically and on a shared interests level, and ensure similar expectations of interaction.

Is coliving a lucrative business? From my point of view, considering the information available, that which seems obvious, and is reinforced by the manifest interest of investors, is that the highest profitability is on the side of residential coliving. Is coliving profitable? Without a doubt. In fact, there are destinations where we have seen how some coworking spaces have pivoted towards coliving and how hotels have adopted a model similar to coliving.



In locations such as Bali, there are coworking operators who, over the years, have built up a great reputation, such as [Hubud](#) (closed by COVID-19) who were responding to emails from prospective members seeking to visit the space and asking for advice on where to stay. If these coworking spaces, instead of getting a commission for referring clients to a hotel or hostel, had developed their own coliving space, their income may have increased, as they would have monetised two services - coworking and coliving, while synergies between the two would have allowed for a reduction in operational costs.

As opposed to operating two separate services, front desk staff of the coliving space can, for example, take care of the coworking operations at night, allowing for a 24/7 coworking service without the additional operational cost. As an example, [Dojo Bali](#) (owner of Hubud for about two years) has already developed a coliving space in Canggu.



Selina property in Bogota, Colombia

At the opposite end of the spectrum, [Selina](#), the hotel chain that used the tagline *Hotels for Millennials*, the same chain that just over two years ago made no reference to coworking, now not only includes coworking spaces to different extents in its locations but has created coworking spaces close to some of its locations. The reality is that at first, I was very surprised that a chain with Selina's target demographic did not include coworking spaces as another asset in its proposal. The movement to start incorporating coworking makes perfect sense - the more time your client spends in your facilities, the better. Let's go over what happened before: a digital nomad who, contrary to what you see on Instagram, doesn't spend all day between piña coladas and sunsets, but has to work (unfortunately!) and in many cases, has developed the mentality of "working less but much more efficiently." Let's be honest, you can't consistently work from a café (or it's very difficult for most people) no matter how fancy your noise-cancelling headphones are. The conclusion is easy - if your hotel does not include coworking facilities, customers get up, go to work in an external coworking space and don't come back to the hotel until the evening. All the extras (food and beverages, experiences, events etc.) will be taken care of by coworking operators, and that leaves the hotel in a complicated position, as their chances of getting extra income are practically zero with this type of user. Selina's pivoting towards coworking is the same as Dojo's but in the opposite direction and **maybe this is the solution for those coliving operators who, for the most part, according to the Coliving Insights report, have difficulty in billing for extras.**

As far as the impact of COVID-19 is concerned, the second issue of the Coliving Insights report confirms our common sense and what we are told every day from the media: the tourism sector is one of the most impacted by the pandemic: *'So far there have been winners and losers amongst operating coliving spaces. Coliving developments which cater for short-term digital nomads have been hit hard due to travel bans. Some have temporarily closed, while others have adapted their business model so that residents stay for longer (digital 'slowmads' rather than digital nomads)'. As far as residential coliving is concerned, they say: 'The news for longer term coliving appears to be good, though is not without ambiguity. We are hearing that occupancy rates are still high, though with some delays to move-ins due to travel restrictions. There's no 'mass exodus' and residents have never been more together, according to Reza Merchant, founder and CEO of The Collective. Indeed, it has been noted by many that having a live-in community is appealing during this time of lockdown.'*



The truth is that coliving is an exciting industry that is still developing and evolving but, in my opinion, it should be watched closely because it uses a necessity - housing. Therefore, if it is done in an irresponsible way, the increase in prices in certain areas or cities will leave many people out of the market. If it is done responsibly, regulated, it can be a much more efficient way of sharing space, with safety, quality and guarantees. It is up to the municipalities and other authorities to ensure that the outcome of this dilemma is not solved by tossing a coin.



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# EXHIBIT 4



# COLIVING DURING COVID-19

**How Communal  
Living Has Adapted  
to the New Normal**



## COLIVING DURING COVID

### HOW COMMUNAL LIVING HAS ADAPTED TO THE NEW NORMAL



## KEY TAKEAWAYS

- Coliving is a multifamily model where residents share the common areas of units such as living rooms and kitchens while retaining their private personal spaces.
- Coliving occupies a unique position in the multifamily ecosystem by offering Class A quality builds and locations with the affordability of workforce housing.
- Prior to the COVID-19 crisis, coliving provided a 30% industry average discount to gross housing costs<sup>1</sup> for renters on a per lease basis while increasing NOI for asset owners by an industry average of 15% through higher densities.
- Since the beginning of the COVID-19 crisis, coliving rents and occupancy have declined in line with declines in conventional Class A urban asset rents. Coliving assets continued to maintain a 23.2% rent per square foot (psf) premium over the average of Class A studio rents PSF in comparable markets as of Q3 2020.
- Several indicators point to continued demand from the coliving target demographic despite the ongoing crisis. Leasing metrics for coliving assets did rebound and exceed pre-COVID rates due to continued depth of demand relative to supply. Rent collections for coliving have exceeded performance of both multifamily generally as well as for Class A comparable product.
- As the economy recovers, affordable rents will be a key value-add for renters still attracted to urban submarkets. As demand for amenity-rich urban submarkets continues to rebound, coliving assets will benefit from the overall improvement in demand further supported by their competitive niche positioning in the rental ecosystem.

<sup>1</sup> This discount is inclusive of furnishings and utilities, cable and wifi which are bundled into a coliving lease, and often are separate costs paid by renters of conventional units.

## COLIVING MATURING INTO AN ESTABLISHED NICHE SECTOR

Prior to the COVID-19 crisis, coliving was a rapidly growing niche asset class throughout major markets in North America—expanding from fewer than 100 beds in 2014 to more than 7,000 at the end of 2019. Driven by high and rising housing costs for renters in top job markets, coliving has emerged as an alternative to conventional multifamily, combining Class A builds and locations at a workforce housing price point. Through higher density, coliving delivers lower per lease rents for renters and higher per square foot rents for owners. While early coliving projects often involved repurposing existing assets at a small scale, current coliving developments are typically purpose-built and have evolved to generally exhibit the following features:

- **Larger build-to-suit assets**, with the average bed size of planned assets increasing to 180 beds, enabling consideration for institutional investors looking to place capital at scale
- Coliving rents generally offer a **20% - 30% discount in total housing costs** to comparable studio product on a per unit basis
- **Per square foot rents are generally 25% - 50% higher than comparable assets** (varying widely based on unit mixes, floorplates and market), while operating expenses are generally 5% higher than traditional multifamily
- Unit mixes that **can include some percentage of studio or other traditional unit types** to allow for tenants to upgrade while remaining in place
- For coliving units, frequently a **1:1 ratio between bedrooms and bathrooms**
- Lease terms generally increasing to nine and 12 months and **reducing or removing 3-month, 6-month and short-term stay leases**
- Making furnished common areas in units standard and including utilities and WIFI in rent
- Some operators have opted for an amenities-light model to optimize for affordability while others opt for an amenities-heavy model to entice demand and expand the capacity for community building

By the end of Q2 2020, there were nearly 8,000 institutionally-operated coliving beds across a dozen markets with over 54,000 beds in various stages of evaluation and development.<sup>2</sup> The existing inventory of assets has been concentrated in the top urban submarkets of New York City, Los Angeles, Chicago, the San Francisco Bay Area, Washington, DC, Southern Florida, Boston and Seattle. Many of these major markets have high competition for sites and regulatory hurdles affecting all multifamily development. These challenges are driving coliving developers to widen the search for new opportunities, including lighter regulatory markets primarily in the Sunbelt. Markets that fall under this secondary wave of coliving development include Atlanta, Denver, Austin, Houston and Phoenix. Additionally, interest in Toronto has also grown for coliving projects.

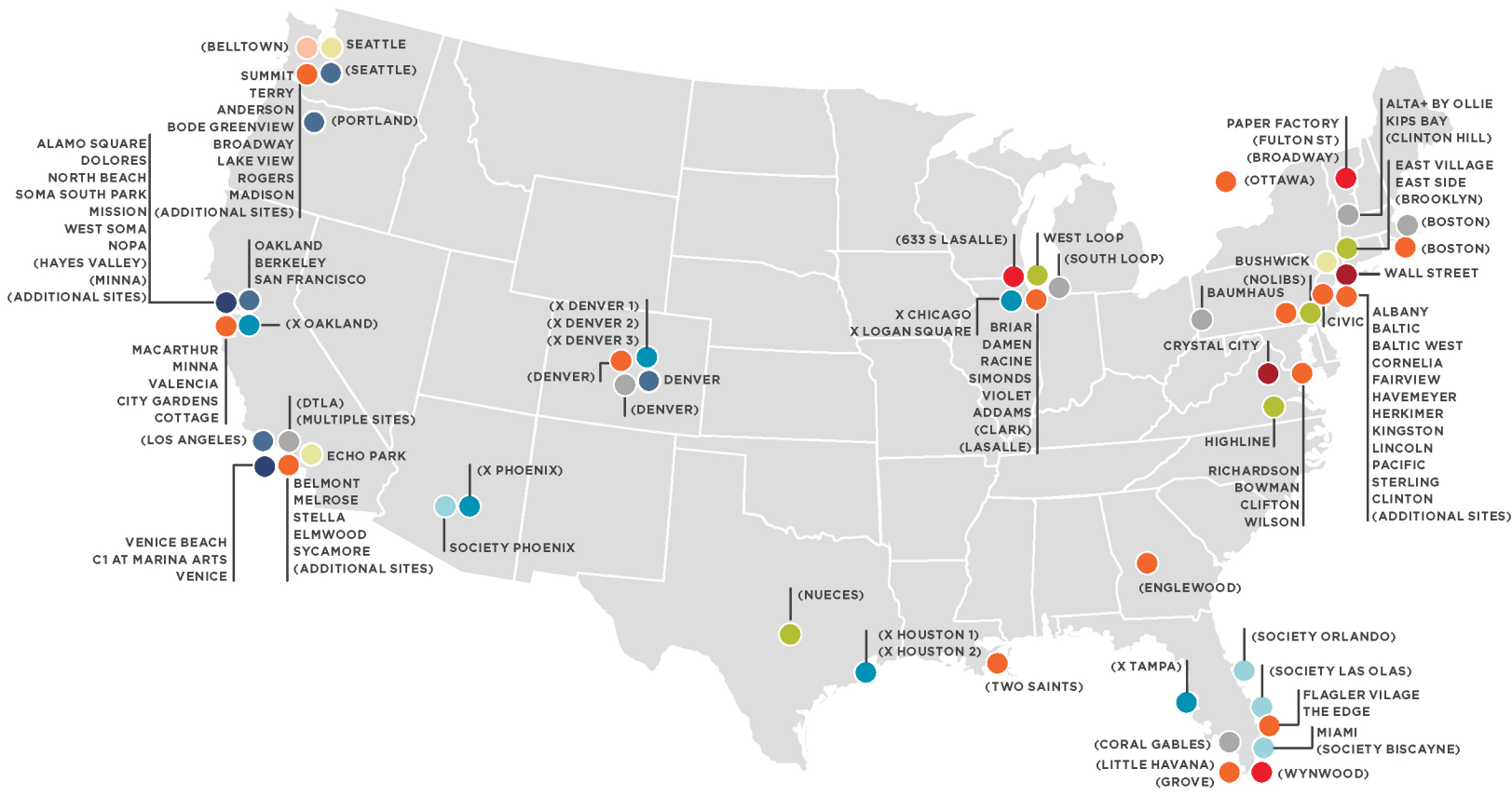
Coliving developers and operators have continued to evaluate and source new sites since the COVID-19 pandemic began. This activity is predicated on the common view that respective markets will be in recovery by the time new projects deliver in 2022 and beyond.



<sup>2</sup> Common, Open Door, The X Company, Ollie, Quarters, Starcity, PMG, The Collective, WeLive

COLIVING DURING COVID  
HOW COMMUNAL LIVING HAS ADAPTED TO THE NEW NORMAL

MAJOR U.S. COLIVING DEVELOPMENTS



OPERATORS/DEVELOPERS

- NODE
- QUARTERS
- OPEN DOOR
- STARCITY
- COMMON
- SOCIETY
- THE X COMPANY
- THE COLLECTIVE
- OLLIE
- WELIVE

Note: developments with parentheses “( )” have an executed agreement and are in some phase of pre-development or construction.

● TBD Operator

\* Mapped developments have been publicly announced

- Pipeline cleared

COMPANY	CURRENT U.S. BEDS ESTIMATED	ESTIMATED BEDS IN PIPELINE LOWER BOUND
Common	2,400	17,600
Open Door	255	11,850
The X Company	1,600	7,800
Society	1,200	7,500
Starcity	500	5,200
Quarters	530	1,800
Ollie	700	1,570
Node	355	1,250
The Collective	125	1,000
WeLive	510	
<b>TOTAL</b>	<b>7,820</b>	<b>54,350</b>

Source: Common, Open Door, The X Company, Ollie, Quarters, Starcity, PMG, The Collective, WeLive as last reported in news publications or CRE data sources such as CoStar or Axiometrics. Many coliving operators and developers have additional projects that are in various phases of sourcing that are not captured in this chart.

## COMPARATIVE PERFORMANCE IN THE COVID-19 ERA

COVID-19 has had an undeniable downward impact on overall rental demand in urban submarkets due to both the risks of living in dense population areas and the growing work-from-home paradigm. How have coliving operators fared under these adverse conditions? Recent announcements indicate certain operators are struggling, namely those who utilize a cohousing model—that is, operators that lease individual single-family homes and units and convert them to coliving units. Two recent examples include Hubhaus, which announced its closure in September 2020, and Bungalow, which announced that it would be looking to renegotiate its leases with landlords.

While the cohousing model enables operators to scale quickly, it also increases risk. First, operators are liable for numerous leases as opposed to flexible management agreements. Second, they enter into lease agreements with many individual landlords who are more susceptible to the economic effects of COVID-19, whereas institutional multifamily owners are more

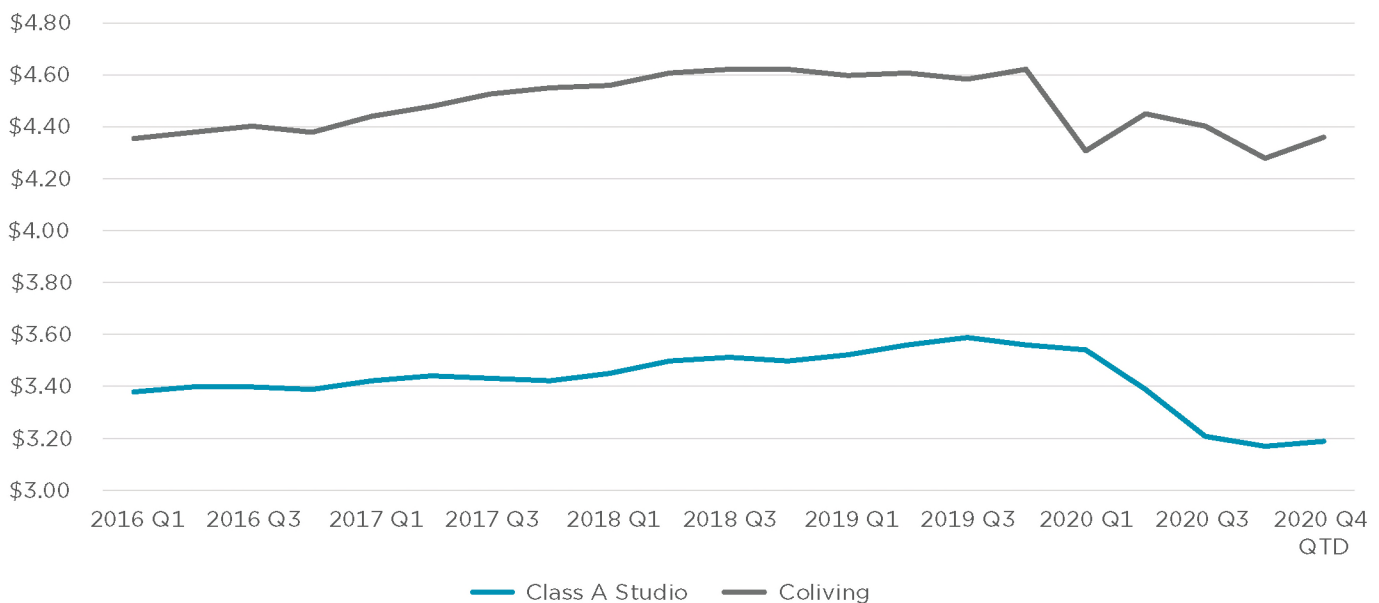
insulated with larger financial reserves to draw from as well as assets that enable economies of scale for services and amenities.

Most coliving operators utilize a multifamily model, and the story here is more nuanced:

**RENTS:** From March 2020 to August 2020, average coliving effective rents have fallen 9.4% compared to a 11.7% drop among Class A studio rentals on a psf basis in comparable markets. This drop in effective market rents is due to a COVID-19 surge in concessions in major markets, with a significant portion of multifamily assets in lease up or renewals offering two months (or 16.6%) off lease terms. While coliving and conventional multifamily have been affected by both concessions and reductions in face value of rents, the overall net effect has been less for coliving assets generally.

Accordingly, coliving has maintained its psf premium over studios during the pandemic. During the peak of Class A studio rents in Q4 2019, coliving rent psf attained an average estimated premium of 18.2%. As of Q3 2020, coliving assets increased their effective rent psf premium over studio rents to 22.2%. Even

## EFFECTIVE MARKET RENT PSF: COLIVING VS CONVENTIONAL



Source: CoStar, Axiometrics, Cushman & Wakefield. Coliving rents were collected from third party sources as well as surveys conducted by Cushman & Wakefield. Traditional multifamily comparables were Class A, 2014+ year built studios in same urban markets as coliving assets: New York City, Los Angeles, San Francisco Bay Area, Miami, Washington DC, Chicago, Seattle, Boston and Philadelphia.

## COLIVING DURING COVID

### HOW COMMUNAL LIVING HAS ADAPTED TO THE NEW NORMAL



so, coliving rents continue to offer an average 20%+ discount in housing costs per lease to competing studio product. Notably, housing cost components such as included furnishings in coliving rents have remained as static separate initial costs to the conventional renter entering a new lease.

**OCCUPANCY:** Similar to conventional multifamily trends of the past several months, the U.S. coliving inventory has seen a decline in overall occupancy. Notably, coliving boasted some of the highest pre-COVID occupancies among stabilized multifamily assets, ranging from 96% - 99% depending on the operator. As of July, occupancies have fallen to 91.2% for assets in Los Angeles, Washington, DC, Seattle, San Francisco and Miami. However, these rates outperform stabilized downtown Class A multifamily in the same markets, which fell from 94.4% in Q4 2019 to 90.0% in Q3 2020.<sup>3</sup> The greater immediate drop off in occupancy is likely due to initial economic shocks of the pandemic affecting lifestyle choices for middle-income coliving residents who may work in vulnerable industries or were part of reductions in entry level staff. However, prior to COVID-19, coliving assets recorded applications that were 30 to 40 times the number of

beds available, representing a deep demand pool of residents. This was born in the months following the outbreak as marketing for U.S. coliving neared a record 30,000 leads per month in August 2020 for our sample set, and application and conversion numbers returned to or exceeded pre-COVID benchmarks.

Lease terms for coliving product average nine months, and peak leasing and renewal season occurs from May to July. Prior to COVID-19, coliving operators were increasingly focused on full-term 12-month leases. Since the arrival of the pandemic, a number of operators have begun offering more flexible lease terms. Long-term, the trend towards full-term leases will likely remain the norm as operators seek more stable occupancy and reduced operating expenses associated with reduced resident turnover.

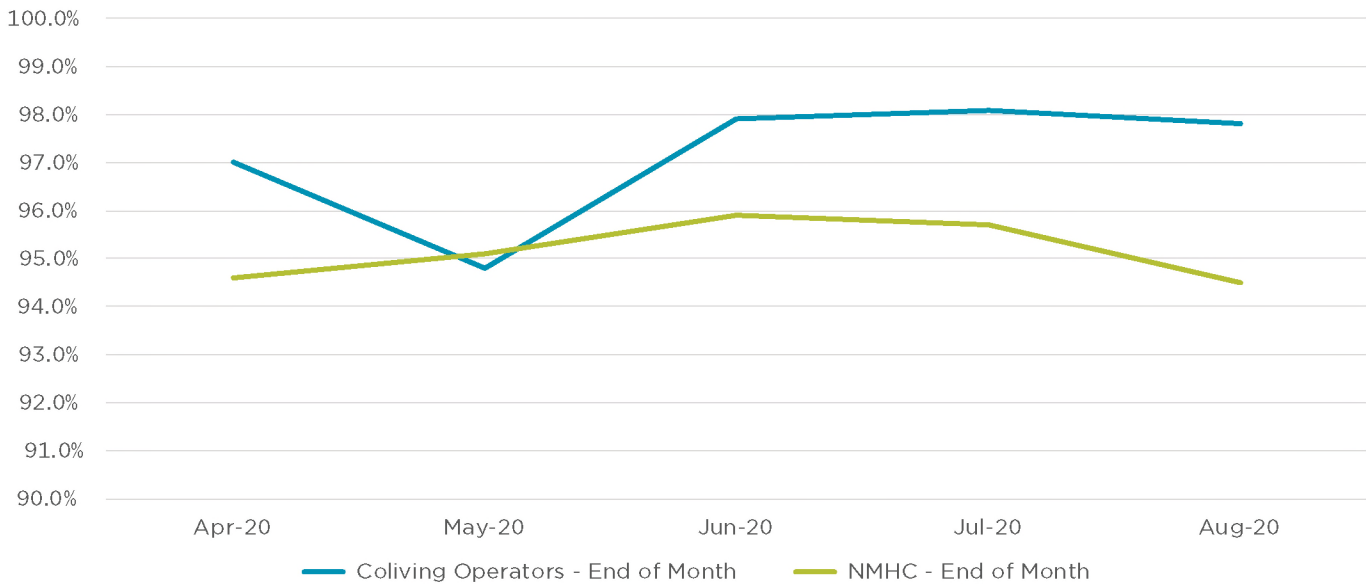
In the recovery phase from COVID-19, investors can expect a rebound in occupancy rates in 2021 as major cities reopen and the workforce returns to the office in some capacity. As urban Class A multifamily competes for residents during recovery, coliving assets' differentiation in terms of pricing, amenities and target demographic can reduce direct competition against the larger set of conventional multifamily competitors.

<sup>3</sup> CoStar; Multifamily - Class A, 2014+ Year Built, 25+ Units, Downtown CBD

**RENT COLLECTIONS<sup>4</sup>:** Rent collections among coliving assets have consistently been in-line with or higher than that of conventional multifamily. Whereas delinquencies for traditional product have ranged from 4.5% to 5.2%<sup>5</sup>, coliving assets have stayed below 4%. Coliving assets also exceeded the performance of collections in same-market Class A multifamily assets, which recorded delinquencies at 8.4% as of August 2020.<sup>6</sup> This robust performance is likely due to coliving’s middle-income, college-educated target demographic—average age of 29 with an income of \$71,500.<sup>7</sup> According to the Pew Research Center, 73% of middle-income U.S. adults were capable of covering all of their bills in April compared to only 46% of low-income U.S. adults.<sup>8</sup> Relative to conventional multifamily residents, an even higher percentage of coliving residents completed their payments within the first week of the month throughout the COVID-19 pandemic. This data both



## RENT COLLECTIONS - COLIVING VS CONVENTIONAL MULTIFAMILY



Source: NMHC Rent Payment Tracker, Cushman & Wakefield. Cushman Wakefield survey set of coliving operators include between 2,455 – 3,116 beds each month, while NMHC aggregated data for 11.1M – 11.5M units monthly.

<sup>4</sup> Reporting from both coliving operators and NMHC was collected on a weekly basis, with 'late payments' first determined after non-payment during the first week. NMHC survey set approximated 11.5 million apartment units nationally. NMHC’s delinquency rate is determined by the percent of units that did not receive a full or partial payment.

<sup>5</sup> NMHC Rent Payment Tracker, April through August

<sup>6</sup> Pinnacle Living, markets included: New York City, Los Angeles, San Francisco / Oakland, Chicago, Miami, Seattle, Washington DC, South Florida. Note that collections are calculated based on percent rent total paid compared to rent billed for the month as opposed to on a lease basis. Also note that delinquencies excluding New York City & San Francisco totaled 5.6%, suggesting market specific phenomena.

<sup>7</sup> Common, Open Door, Starcity, Quarters

<sup>8</sup> Pew Research Center, “About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19”, April 2020

## COLIVING DURING COVID

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reflects the stronger financial position of coliving residents as well as the effects of digital first payment systems among coliving operators compared to the overall market.

Going into 2021, investors should expect collections to remain supported, particularly as the labor market continues to recover, albeit gradually. While coliving residents are less dependent on stimulus programs compared to the overall renter population, payment rates should benefit on the margin if Congress passes further stimulus.

## CHALLENGES AND OPPORTUNITIES GOING FORWARD

While it has been suggested that the shift to remote work might jeopardize the future of coliving, coliving operators are responding. Several are planning to accommodate more remote work, whether in the form of reorienting amenities toward coworking spaces or including in-unit work spaces. Further, some data suggest that residents of coliving properties will likely continue to need a traditional office, at least in part. According to one operator, 65% of their residents are new to the market when they join a coliving community, suggesting many of those residents likely have an early career role or are beginning a new position. These are the type of employees that typically require a significant amount of training and mentoring, activities that have been challenging in work from home environments. That is why for this particular demographic group, coliving housing near key office locations will remain relevant as employers will once again seek new talent during the recovery.

COVID-19's impact on the experience economy—retail, dining, entertainment venues and more—has been well documented. And coliving assets are typically located in highly desirable urban submarkets that feature those elements. While the appeal of those locations may be tempered now, in our view they shall recover in the long term. The scale of major population centers create variety and unique opportunities for companies, restaurants, museums and many other social venues, which are impossible in less dense markets. Historic recoveries for cities from previous recessions support this fundamental thesis. Coliving assets, as well as conventional assets, will benefit when people are again able to enjoy all of the cultural amenities that large population centers sustain. That said, when urban amenities are effectively being discounted as they

are today, affordability will be more important as an amenity for renters, benefiting both urban coliving and cheaper housing in the suburbs as well.

One of the most significant questions for coliving is whether demand will be able to keep pace with its significant pipeline of roughly 54,000 beds. As noted, there have been consistent waitlists for the current inventory of nearly 8,000 beds. However, no one can say with confidence what demand will look like when these beds come online over the course of the next several years. One can surmise that reported trends



COVID-19 has amplified, such as the migration of 18- to 29-year olds moving in with family members, will also subside in that time - driving that population to work where jobs are located, which is still overwhelmingly large cities.

Our view is that while coliving is likely to remain a relatively small percentage of the overall rental market, considerable opportunity for growth remains. Additionally, as with coworking, we are likely to see some versions of coliving becoming integrated into

conventional concepts. Indeed, we have already seen a shift towards management agreements over master leases among coliving operators, often incorporating conventional units and micro-units into unit mixes. In time, we are likely to see the growth in private label coliving offerings from conventional multifamily operators and owners. All of which is to say that the road is open for coliving to continue growing into an established part of the multifamily market ecosystem and one that has a place in diversified portfolios.





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# EXHIBIT 5

NATIONAL LOW INCOME HOUSING COALITION

# THE GAP

A Shortage of  
Affordable Homes

MARCH 2021



# THE GAP

## A Shortage of Affordable Homes

MARCH 2021

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## ABOUT NLIHC

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that ensures people with the lowest incomes in the United States have affordable and decent homes.

Founded in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone.

Our goals are to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low-income housing policy.



**NATIONAL LOW INCOME  
HOUSING COALITION**

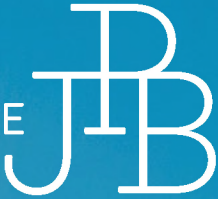
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## INTRODUCTION

The COVID-19 public health crisis and economic collapse of 2020 brought devastating harm to millions of families, and those with low incomes have been disproportionately impacted. Many have struggled to remain safely and stably housed, due in large part to a severe shortage of affordable homes for people with the lowest incomes *before* the pandemic began.

By the end of January 2021, COVID-19 had claimed the lives of over 500,000 Americans, and the death toll will continue to climb (COVID Tracking Project, 2021). People of color are considerably more likely to contract the virus, be hospitalized, and die as a result of the pandemic (CDC, 2020). Racial disparities in housing contribute to these inequitable outcomes. Black people, Native Americans, and Latinos are more likely to experience homelessness and overcrowded housing than white people (National Alliance to End Homelessness, 2020; U.S. Census Bureau, 2020). People experiencing homelessness, overcrowding, or housing instability are at greater risk of COVID-19 because transmission of the virus is more likely in congregate shelters and crowded homes, where people are unable to maintain safe social distancing (Nande et al., 2020; Chapman et al., 2020). The pandemic makes clear that affordable homes are a prerequisite for individual and public health.

Accompanying the pandemic is the economic fallout. An unprecedented shutdown in the spring of 2020 forced many low-wage workers out of work,

followed by sporadic re-openings and a bifurcated labor-market recovery. In March and April 2020, the economy lost over 21 million jobs, and the unemployment rate climbed to 14.7% (BLS, 2020a), the worst since the Great Depression. The recovery has been uneven, as the country has struggled to contain the virus, support laid-off and furloughed workers, and distribute vaccines. The U.S. economy saw nine million fewer jobs in December 2020 than in December 2019 (BLS, 2020b). While the overall unemployment rate fell to 6.7% by the end of the year, the Black and Latino unemployment rates were still considerably higher (9.9% and 9.3%, respectively), and a Federal Reserve analysis suggests the unemployment rate for workers in the bottom wage quartile may have been higher than 20% (Brainard, 2021).

As a result, many low-income renters, who are disproportionately people of color, report being behind on rent and not confident about their ability to pay in the coming months. In January, 21% of renters reported being behind on rent payments. Among renters earning less than \$25,000 per year, over 30% were behind. Renters of color are more likely to be struggling: while 12% of white renters were not caught up, 29% of Latino renters and 36% of Black renters were behind. Nearly one-third of all renters, and nearly half of the lowest-income renters, had no or only slight confidence they could pay next month's rent on time or had deferred payments. Among renters who had fallen behind on rent, over 47% expected an eviction in the next two months, even with eviction moratoriums still in place (Census Bureau, 2021b).

Many low-income renters struggled to pay rent before the COVID-19 crisis and are now in an even more perilous position. The persistent shortage of affordable and available homes for the lowest-income renters means approximately 70% of these households routinely spend more than half of their incomes on rent even in good economic times. Such households have little ability to save, and one emergency or unexpected expense could result in

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**The pandemic makes clear that affordable homes are a prerequisite for individual and public health.**

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## DEFINITIONS

**AREA MEDIAN INCOME (AMI):** The median family income in the metropolitan or nonmetropolitan area

**EXTREMELY LOW-INCOME (ELI):** Households with income at or below the Poverty Guideline or 30% of AMI, whichever is higher

**VERY LOW-INCOME (VLI):** Households with income between ELI and 50% of AMI

**LOW-INCOME (LI):** Households with incomes between 51% and 80% of AMI

**MIDDLE-INCOME (MI):** Households with income between 81% and 100% of AMI

**ABOVE MEDIAN INCOME:** Households with income above 100% of AMI

**COST BURDEN:** Spending more than 30% of household income on housing costs

**SEVERE COST BURDEN:** Spending more than 50% of household income on housing costs

eviction and in worst cases, homelessness. Millions of low-income renters were already experiencing or were at high risk of housing instability pre-COVID, and the pandemic exacerbated this long-running crisis.

Each year, NLIHC examines the American Community Survey (ACS) to determine the availability of rental homes affordable to extremely low-income households – those with incomes at or below the poverty line or 30% of the area median income (AMI), whichever is greater – and other income groups (Box 1). This annual report provides estimates of affordable housing needs for the U.S., each state plus the District of Columbia (DC), and the largest metropolitan areas. The most recent ACS data are from 2019: COVID has worsened the situation for low-income renters since then, but the pandemic's effect is not reflected in these data. This year's key findings include:

- 10.8 million renter households with extremely low incomes account for 25% of all renter households and 9% of all U.S. households.
- People of color are much more likely than white people to have extremely low incomes. Twenty percent of Black households, 18% of American Indian or Alaska Native households, 14% of Latino households, and 10% of Asian households are extremely low-income renters. Only 6% percent of white non-Latino households are extremely low-income renters.
- Extremely low-income renters in the U.S. face a shortage of nearly 7 million affordable and available rental homes. Only 37 affordable and available homes exist for every 100 extremely low-income renter households.<sup>1</sup>
- Seventy percent (7.6 million) of the nation's 10.8 million extremely low-income renter households are severely housing cost-burdened, spending more than half of their incomes on rent and utilities. They account for over 72% of all severely housing cost-burdened renters in the U.S.
- Forty-eight percent of extremely low-income renter households are seniors or disabled, and another 43% are in the labor force, in school, or are single-adult caregivers.
- Thirty-six percent (3.8 million) of all extremely low-income renter households are in the labor force, and many work in industries like retail and restaurants that were highly exposed to shutdowns, job losses, and reduced wages due to COVID. By December 2020, 70% of all renters with incomes less than \$25,000 who were not retired lived in a household that had lost employment income due to the pandemic.
- No state has an adequate supply of affordable and available homes for extremely low-income renters. The current relative supply ranges from 20 affordable and available homes for every 100 extremely low-income renter households in Nevada to 61 in Mississippi and Wyoming.
- The absolute shortage of affordable and available homes ranges from 7,500 in Wyoming to over 960,000 in California.

<sup>1</sup> We use 'renters' and 'renter households' interchangeably to refer to renter households throughout this report.

Without housing assistance, a family of four with poverty-level income could afford a monthly rent of no more than \$655 in 2020, and many below the poverty level could not even afford that. The average cost of a modest two-bedroom rental home at the fair market rent, however, was \$1,246 (NLIHC, 2020b). Congress consistently provides insufficient funding for federal housing assistance: three out of four low-income households in need of and eligible for federal housing assistance receive none (Fischer & Sard, 2017).

During a pandemic, when housing instability means the risk of greater exposure to a deadly virus, we see yet another way affordable housing is often a matter of life and death. This deprivation is severe, predictable, and avoidable. We must address renters' immediate needs with emergency rental assistance and eviction moratoriums. Looking beyond the pandemic, we need large-scale, sustained commitments to affordable homes for people with the lowest incomes. We need universal housing assistance that includes ongoing rental assistance for all eligible households; preservation and increased supply of affordable homes through the national Housing Trust Fund (HTF), public housing, and other important programs; a permanent National Housing Stabilization Fund to make emergency rental assistance available when needed; and critical renter protections and zoning reforms. Only through

**During a pandemic, when housing instability means the risk of greater exposure to a deadly virus, we see yet another way affordable housing is often a matter of life and death.**

a national commitment to such investments and reforms can we ensure stable homes for all of the lowest-income and most marginalized people during good times and bad.

**Nearly 10.8 million of the nation's 44 million renter households have extremely low incomes.**

## A SEVERE SHORTAGE OF AFFORDABLE RENTAL HOMES

Nearly 10.8 million of the nation's 44 million renter households have extremely low incomes. Only 7.4 million rental homes are affordable to extremely low-income renters nationally, assuming households should spend no more than 30% of their incomes on housing.<sup>2</sup> This supply leaves an absolute shortage of 3.4 million affordable rental homes in the U.S. Extremely low-income renters are the only income group facing this absolute shortage of affordable homes.

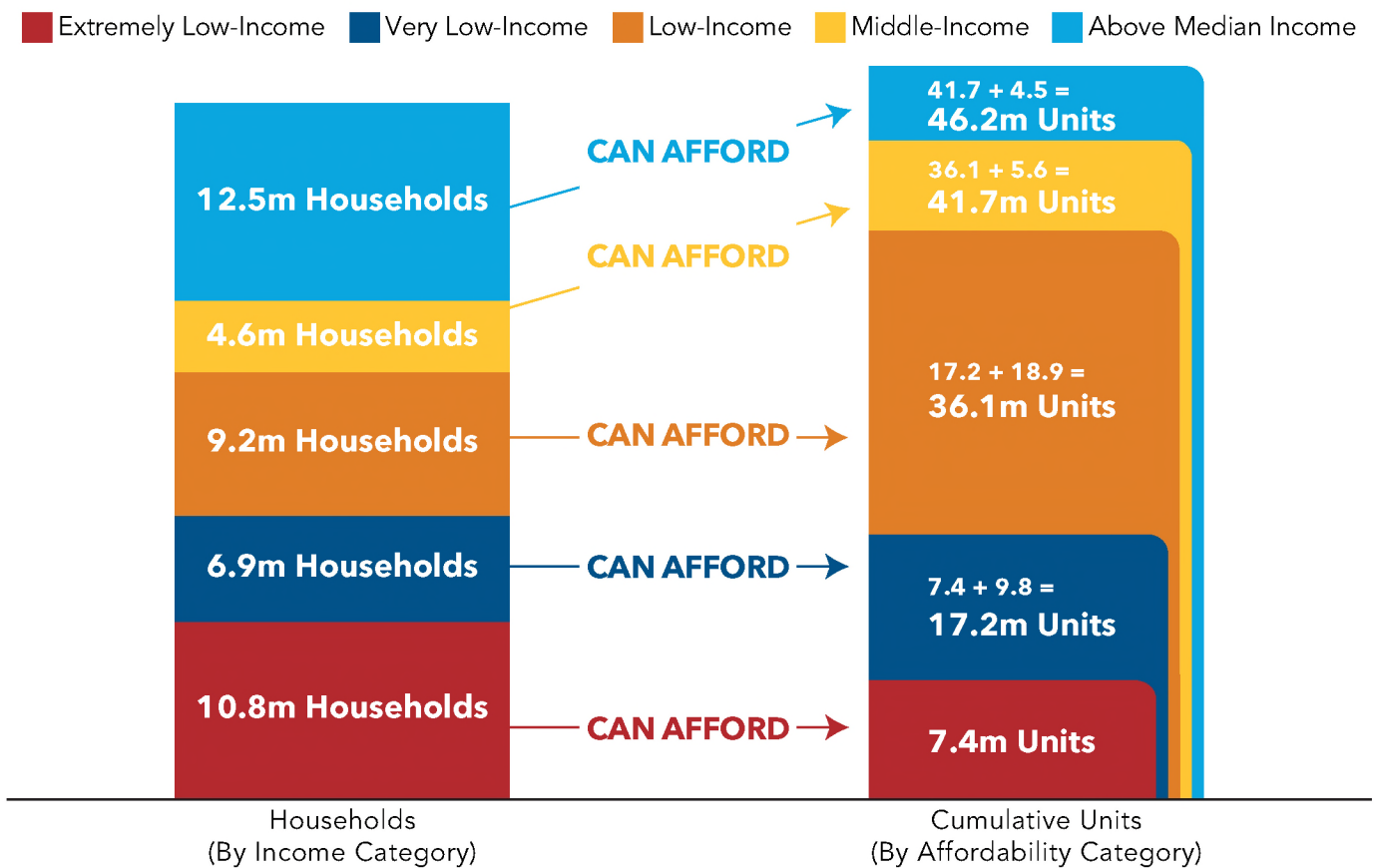
The shortage does not account for people experiencing homelessness, since the ACS includes only households with an address. HUD estimates that 568,000 people were experiencing homelessness in 2019 (HUD, 2020), though the difficulty of identifying that population and the events of 2020 mean the true count is likely even higher (GAO, 2020). Taking into account the number of people experiencing homelessness in families, another 449,737 homes are needed. The real shortage of rental homes affordable to extremely low-income households, therefore, is closer to 3.8 million. Even this estimate is conservative, as it does not account for households that are doubled-up.

<sup>2</sup> The 30% standard is commonly used to estimate the scope of housing affordability problems and serves as the basis for some administrative policies, but some households may struggle even at this level of housing cost (Stone, 2006).

In contrast, there is a cumulative *surplus* of affordable homes for households with higher incomes (Figure 1). Approximately 6.9 million renter households have very low incomes (i.e., incomes above the extremely low-income threshold but below 50% of AMI). Members of that income group can afford the same 7.4 million rental homes that are affordable to extremely low-income renters, and they can also afford another 9.8 million more expensive rental homes. In total, 17.2 million rental homes are affordable for the 6.9 million very low-income renter households. A cumulative shortage remains, however, when we consider both extremely low- and very low-income renter households together.

Slightly more than 9.2 million renter households have low incomes (i.e., incomes between 51% and 80% of AMI). Low-income renters can afford the 17.2 million homes affordable to extremely low-income and very low-income renters, and they can afford an additional 18.9 million more expensive rental homes. In total, 36.1 million rental homes are affordable to low-income renters. Approximately 4.6 million renters are middle-income (i.e., with incomes between 81% and 100% of AMI). Middle-income renters can afford all the homes that low-income renters can afford, plus an additional 5.6 million more expensive rental homes, so the total national supply of affordable rental housing for that group is 41.7 million units.

FIGURE 1: RENTAL UNITS AND RENTERS IN THE US, MATCHED BY AFFORDABILITY AND INCOME CATEGORIES, 2019 (IN MILLIONS)



Source: NLIHC tabulations of 2019 ACS PUMS data.

## AFFORDABLE, BUT NOT AVAILABLE

Homes that are affordable to extremely low-income renters are not necessarily available to them. In the private market, households can occupy homes that cost less than 30% of their incomes, and many do. When higher-income households occupy rental homes also affordable to lower-income households, they render those homes unavailable to the lower-income households. Extremely low-income renters must compete with all higher-income households for the limited number of rental homes affordable to them in the private market. To truly measure the housing options extremely low-income renters have, we must account for the fact that higher-income renters occupy some of the most affordable units. Rental homes are both affordable *and available* for households of a specific income group if the homes are affordable to them and they are not occupied by higher-income households.

Of the 7.4 million homes affordable to extremely low-income households, approximately 1.1 million are occupied by very low-income households, one million are occupied by low-income households, 400,000 are occupied by middle-income households, and 900,000 are occupied by households with above-median incomes. Consequently, only four

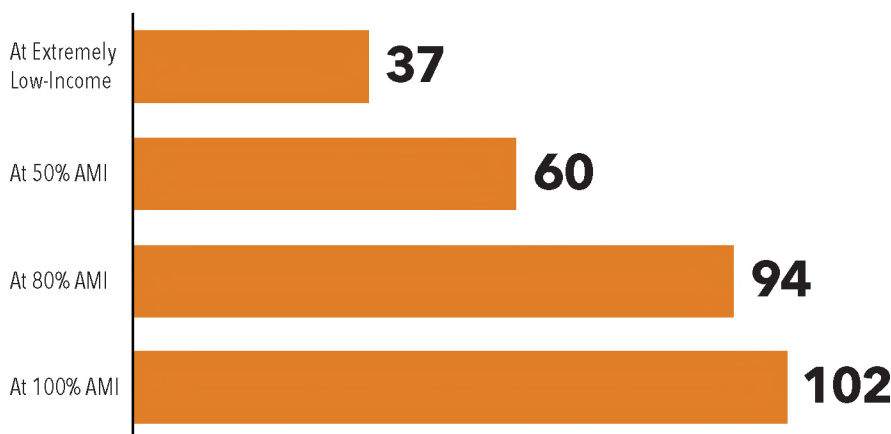
## Extremely low-income renters must compete with all higher-income households for the limited number of rental homes affordable to them in the private market.

million homes that rent at affordable prices for extremely low-income renters are available to them. That leaves a shortage of 6.8 million affordable and available homes for renters with extremely low incomes. Many extremely low-income households are consequently forced to rent homes they cannot afford – 25% are in homes affordable to very low-income households, 31% are in homes affordable to low-income households, 6% are in homes affordable to middle-income households, and 4% are in homes affordable to households with above-median incomes.

The relative supply of affordable and available rental homes improves as incomes increase. Only 37 rental homes are affordable and available for every 100 extremely low-income renter households (Figure 2). Sixty exist for every 100 renter households with incomes at or below 50% of AMI. Ninety-four and 102 affordable and available rental homes exist for every 100 renter households earning at or below 80% and 100% of AMI, respectively.

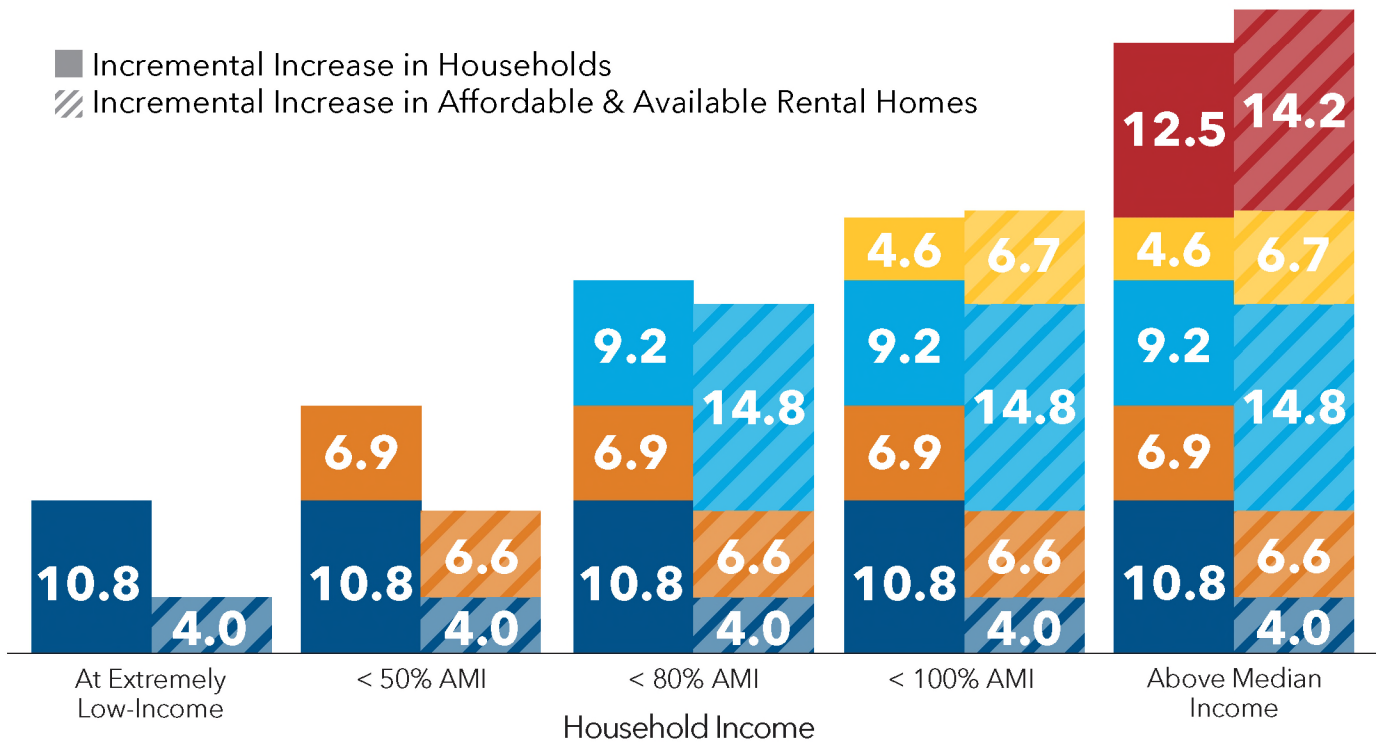
The shortage of affordable and available rental homes for renters with incomes over 50% of AMI can be explained by the shortage of affordable and available rental

FIGURE 2: AFFORDABLE AND AVAILABLE RENTAL HOMES PER 100 RENTER HOUSEHOLDS, 2019



Source: NLIHC tabulations of 2019 ACS PUMS data. AMI = Area Median Income

FIGURE 3: RENTER HOUSEHOLDS AND AFFORDABLE & AVAILABLE RENTAL HOMES, 2019



Source: NLIHC tabulations of 2019 ACS PUMS data.

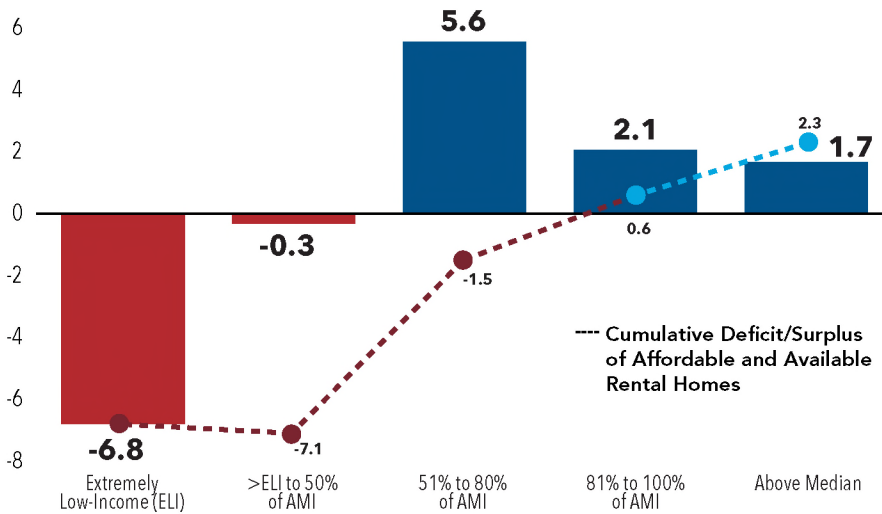
homes for those with incomes below 50% of AMI. Figure 3 illustrates the incremental change in the cumulative number of renters at increasingly higher levels of income, alongside the cumulative number of rental homes affordable and available. The figure shows a cumulative shortage of affordable and available rental homes at lower levels of income and a surplus at higher levels. Represented on the far left of Figure 3, 10.8 million extremely low-income renter households occupy or have access to only 4 million affordable and available units, leaving a shortage of 6.8 million rental homes. Moving to the right to include all renter households earning up to 50% of AMI, there is an incremental increase of 6.9 million households, but the number of affordable and available rental homes increases only by 6.6 million units. Consequently, there is a shortage of 7.1 million affordable and available rental homes for households with incomes at or below 50% of AMI.

The shortage decreases as incomes rise. Going further up the income scale to include all renters

earning less than 80% of AMI adds 9.2 million households to the cumulative total of renter households, and it adds 14.8 million units to the cumulative total of affordable and available rental homes. This incremental increase significantly reduces the cumulative shortage of affordable and available rental homes. At median income, the cumulative shortage disappears.

Figure 4 provides another way of looking at this dynamic. The dashed line represents the cumulative shortage of affordable and available homes, which eventually becomes a cumulative surplus for higher-income renters. Each point on the line corresponds to the difference between the cumulative number of renters and the cumulative number of affordable and available homes at or below that income level. On the far left, for example, is the shortage of 6.8 million affordable and available homes for extremely low-income renters. The second point on the dashed line shows that the cumulative shortage grows to 7.1 million affordable and available homes for all renters

FIGURE 4: INCREMENTAL CHANGE TO SURPLUS (DEFICIT) OF AFFORDABLE AND AVAILABLE RENTAL HOMES, 2019 (IN MILLIONS)



Source: NLIHC tabulations of 2019 ACS PUMS data.

with incomes below 50% of AMI (since there are 17.7 million cumulative renters but only 10.6 million cumulative affordable and available homes, as seen in Figure 3). The cumulative shortage is only 1.5 million for all renters with incomes below 80% AMI.

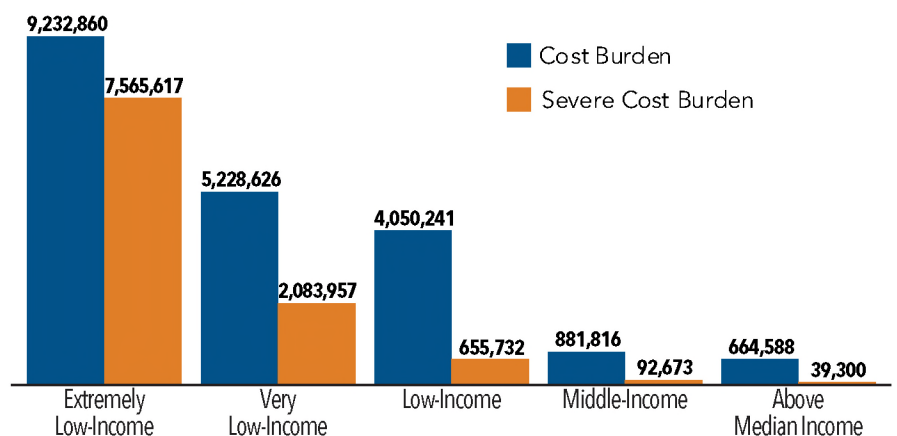
The bars in Figure 4 represent the incremental change in the cumulative shortage (and eventual surplus) at each step-up in income. For example, for renters between 31% and 50% of AMI, there is an incremental increase in the cumulative shortage of affordable and available homes, because there are 6.9 million renters in that income group and only 6.6 million affordable and available homes are added. In contrast, the cumulative shortage falls when including renters between 51% and 80% AMI. Figure 4 shows how cumulative shortages of affordable and available homes for households with higher incomes are largely attributable to the shortage for renters with extremely low incomes, who face the most severe shortage by far.

## HOUSING COST BURDENS

Households are considered housing cost-burdened when they spend more than 30% of their incomes on rent and utilities. They are considered severely cost-burdened when they spend more than half of their incomes on their housing. Cost-burdened households have less to spend on other necessities, such as food, clothing, transportation, and healthcare. Renters of color are much more likely to be housing cost-burdened: while 42% of all white renters are cost-burdened, 52% of Latino renters and 54% of Black renters are cost-burdened.

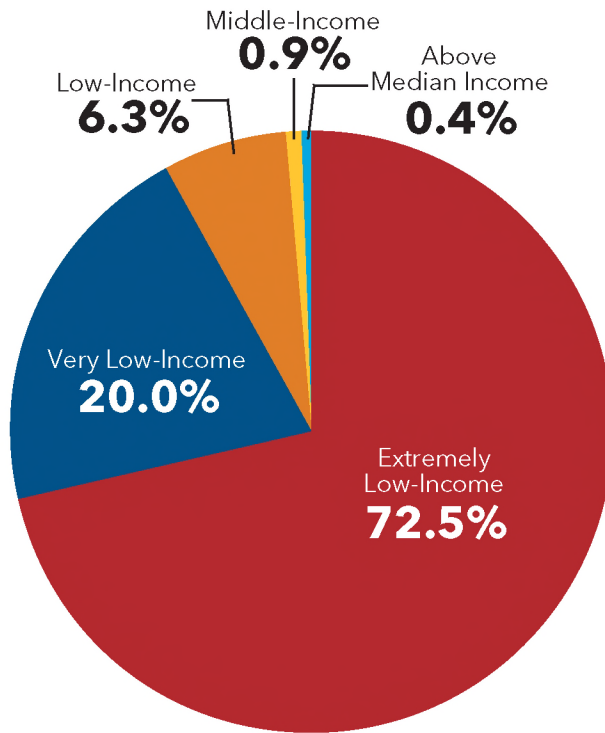
Over 30% of Black renters spend more than half of their income on housing. Housing cost burdens are predominantly a problem for the lowest-income renters. More than 9.2 million extremely low-income renters, 5.2 million very low-income renters, and 4 million low-income renters are cost-burdened (Figure 5). Combined, extremely low-, very low-, and low-income renters with incomes below 80% of AMI account for 92% of all cost-

FIGURE 5: RENTER HOUSEHOLDS WITH COST BURDEN BY INCOME GROUP, 2019



Source: NLIHC tabulations of 2019 ACS

FIGURE 6: SEVERELY HOUSING COST-BURDENED RENTERS BY INCOME, 2019



Source: NLIHC tabulations of 2019 ACS

burdened renters.

Of the 10.4 million severely housing cost-burdened renter households, 7.6 million are extremely low-income, 2.1 million are very low-income, 656,000 are low-income, and 132,000 are middle- or higher-income. Extremely low-income renters account for nearly 72% of all severely cost-burdened renters in the U.S (Figure 6). Combined, extremely low-, very low-, and low-income households account for nearly 99% of all severely cost-burdened renters. The other 1% of severely cost burdened renters are largely concentrated in high-cost or large metropolitan areas.

Extremely low-income renters have little, if any, money remaining for other necessities after paying their rent. A severely housing cost-burdened extremely low-income family of four with monthly income of \$2,008,<sup>3</sup> for example, has \$762 remaining

for all other non-housing expenses after renting the average two-bedroom apartment at fair market rent of \$1,246.<sup>4</sup> The U.S. Department of Agriculture’s thrifty food budget for a family of four (two adults and two school-aged children) is \$671 per month (2020b), leaving only \$91 for transportation, childcare, and all other necessities. Severely housing cost-burdened, extremely low-income renters make significant sacrifices to pay for housing.

Even with these sacrifices, severe housing cost burdens make it difficult for the lowest-income renters to keep up with their rents. The 2017 American Housing Survey reports that 1.9% of all renter households were threatened with eviction within the previous three months. Among renters with incomes under \$30,000, that share

climbs to 2.7% (Joint Center for Housing Studies, 2020). The pandemic has likely exacerbated those difficulties. Even with a federal eviction moratorium in place, in January 2021 9.8% of renters reported they were behind on rent and thought it was somewhat or very likely they would be evicted within the next two months (Census Bureau, 2021b). Among renters with household incomes below \$25,000, 18% were behind and thought eviction was very or somewhat likely.

3 The weighted average of 30% of HUD Median Family Income for HUD Fair Market Rent (FMR) areas (NLIHC, 2020b).

4 The weighted average of two-bedroom FMRs by FMR area (NLIHC, 2020b).

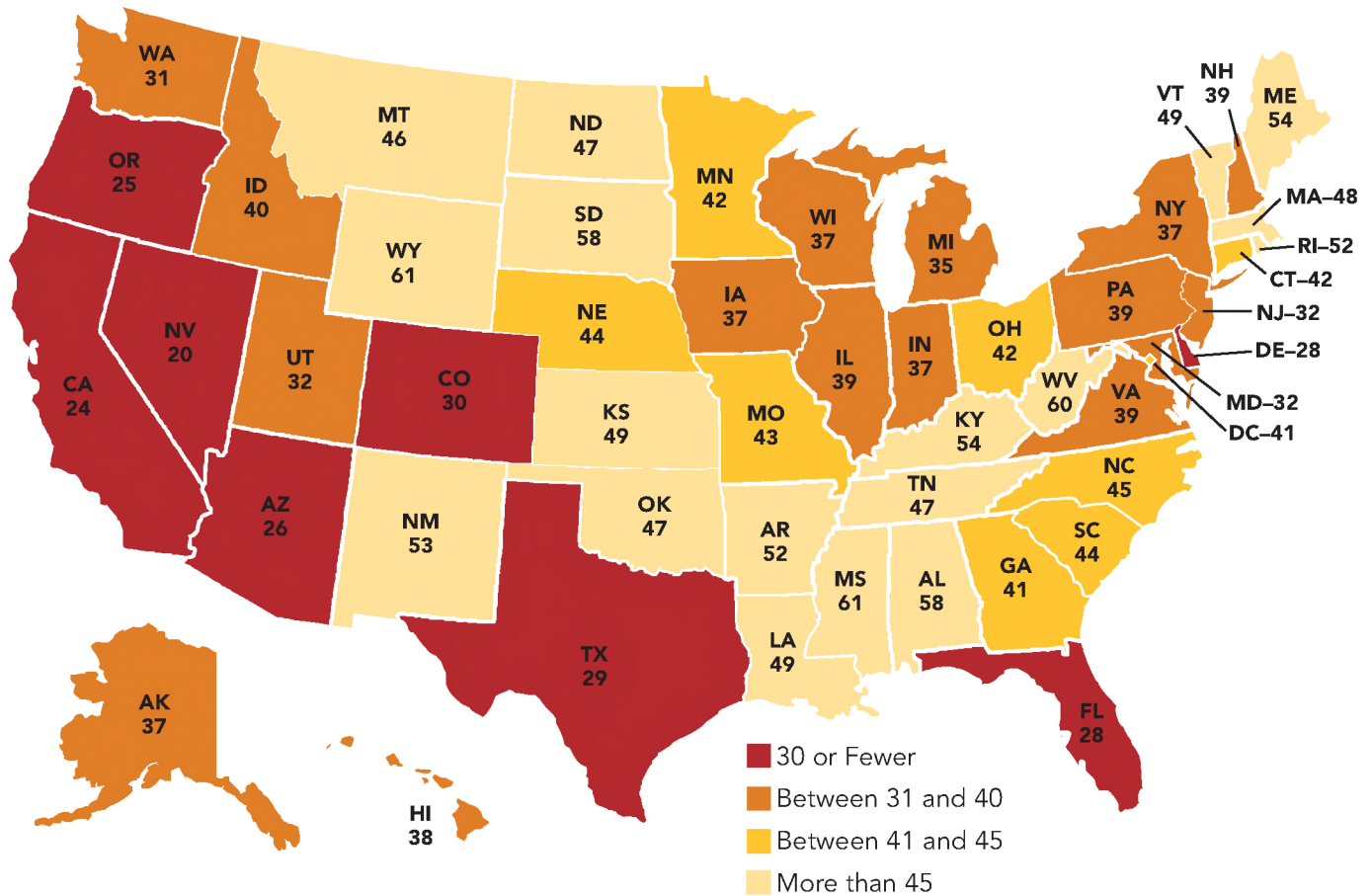
## THE HOUSING SHORTAGE FOR EXTREMELY LOW-INCOME RENTERS BY STATE

No state has an adequate supply of rental housing affordable and available for extremely low-income households (Figure 7 and Appendix A). The shortage ranges from 7,479 rental homes in Wyoming to nearly one million in California. The states where extremely low-income renters face the greatest challenges finding affordable homes are Nevada, with only 20 affordable and available rental homes for every 100 extremely low-income renter households, California (24 for every 100 extremely

low-income renter households), Oregon (25/100), Arizona (26/100), and Florida (28/100). The states with the greatest relative supply of affordable and available rental homes for extremely low-income renters still have significant shortages. The five top states are Wyoming and Mississippi, with 61 affordable and available rental homes for every 100 extremely low-income renter households, West Virginia (60/100), Alabama (58/100), and South Dakota (58/100).

A majority of extremely low-income renters are severely housing cost-burdened in every state. The states with the greatest percentage of extremely low-income renter households with severe cost burdens are Nevada (82%), Florida (79%), Oregon (77%),

FIGURE 7: RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW INCOME RENTER HOUSEHOLDS BY STATE



Note: Extremely low income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2019 ACS PUMS Data.

TABLE 1: LEAST AND MOST SEVERE SHORTAGES OF RENTAL HOMES AFFORDABLE TO EXTREMELY LOW INCOME HOUSEHOLDS ACROSS THE 50 LARGEST METROPOLITAN AREAS

MOST SEVERE		LEAST SEVERE	
Metropolitan Area	Affordable and Available Rental Homes per 100 Renter Households	Metropolitan Area	Affordable and Available Rental Homes per 100 Renter Households
Las Vegas-Henderson-Paradise, NV	16	Providence-Warwick, RI-MA	50
Houston-The Woodlands-Sugar Land, TX	19	Boston-Cambridge-Newton, MA-NH	49
Los Angeles-Long Beach-Anaheim, CA	20	Pittsburgh, PA	48
Phoenix-Mesa-Scottsdale, AZ	21	Cleveland-Elyria, OH	43
Portland-Vancouver-Hillsboro, OR-WA	21	Louisville/Jefferson County, KY-IN	43
Riverside-San Bernardino-Ontario, CA	21	Cincinnati, OH-KY-IN	42
Dallas-Fort Worth-Arlington, TX	21	St. Louis, MO-IL	41
Sacramento--Roseville--Arden-Arcade, CA	22	Buffalo-Cheektowaga-Niagara Falls, NY	39
Miami-Fort Lauderdale-West Palm Beach, FL	22	Kansas City, MO-KS	38
San Diego-Carlsbad, CA	22	Charlotte-Concord-Gastonia, NC-SC	38

Source: NLIHC tabulations of 2019 ACS PUMS data.

California (76%), Arizona (75%), Colorado (74%), and Texas (74%). Rhode Island has the smallest, but still significant, percentage of extremely low-income renters with severe cost burdens (57%).

The state shortages of affordable and available rental homes disappear for households higher up the income ladder. Forty-eight states and DC have a cumulative shortage of affordable and available rental homes for renters with household incomes below 50% of AMI. Fifteen states and DC have a cumulative shortage for all renters with household incomes below 80% of AMI. In seven states with high-cost metropolitan regions—California, Florida, Hawaii, Massachusetts, New Jersey, New York, and Oregon—there is a cumulative shortage for all renters with household incomes up to the median income.

## THE HOUSING SHORTAGE FOR EXTREMELY LOW-INCOME RENTERS IN THE 50 LARGEST METROS

Every major metropolitan area in the U.S. has a shortage of affordable and available rental homes for extremely low-income renters (Table 1 and Appendix B). Of the 50 largest metropolitan areas, extremely low-income renters face the most severe shortages in Las Vegas, NV, with 16 affordable and available rental homes for every 100 extremely low-income renter households, Houston, TX (19/100), Los Angeles, CA (20/100), Phoenix, AZ (21/100), Portland, OR (21/100), Riverside, CA (21/100), and Dallas, TX (21/100).

Of the 50 largest metropolitan areas, those with the least severe shortages of rental homes affordable and available to extremely low-income renters are Providence, RI, with 50 for every 100 extremely low-income renter households, Boston, MA

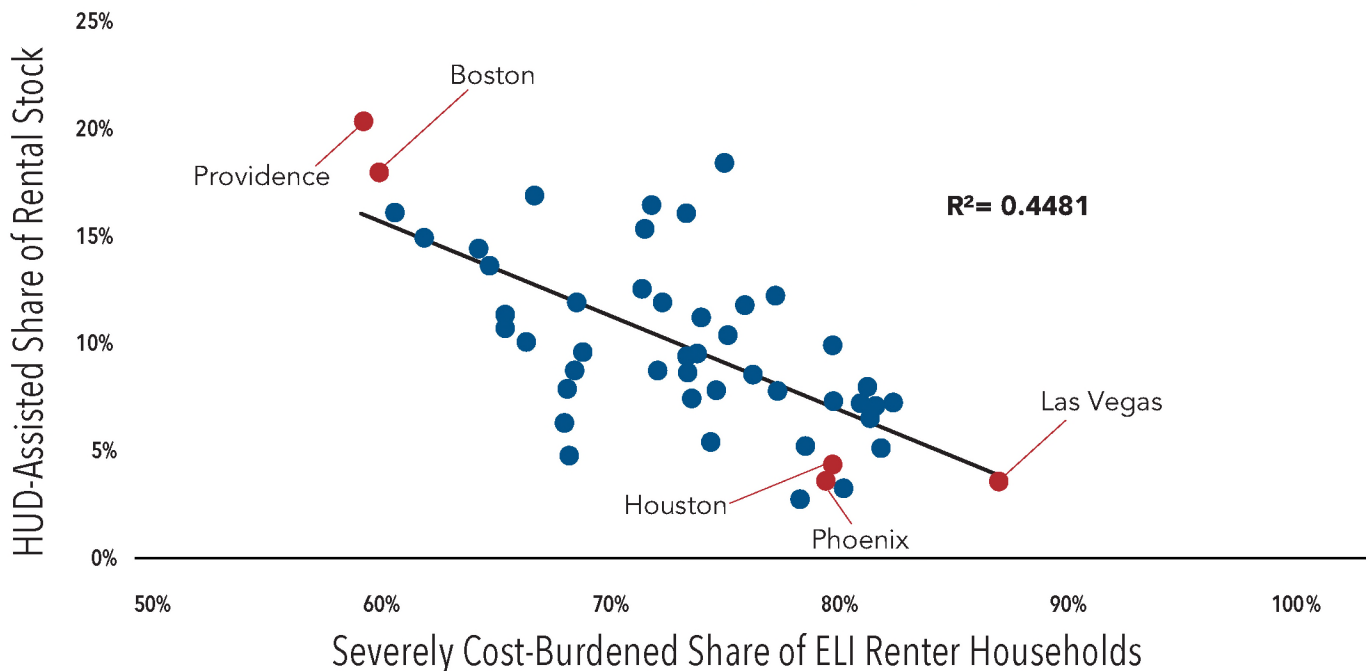
(49/100), Pittsburgh, PA (48/100), Cleveland, OH (43/100), and Louisville, KY (43/100).

Each of the 50 largest metropolitan areas has a shortage of rental homes affordable and available for renters with household incomes below 50% of AMI. The shortages begin to disappear at higher incomes. Twenty-nine of the 50 largest metropolitan areas have a cumulative shortage of affordable and available rental homes for all renters with household incomes up to 80% of AMI. Only 10 of them have a cumulative shortage for all renters with household incomes up to the median income. More than 88% of renters with extremely low incomes are housing cost-burdened in all ten of the metropolitan areas with the most severe shortages of affordable and available homes. In all of those metropolitan areas, at least 75% of renters with extremely low incomes are severely cost-burdened.

A significant factor in explaining these severe housing cost burdens is the lack of subsidized affordable homes for extremely low-income households. Figure 8 shows that metropolitan areas with less HUD-assisted housing as a share

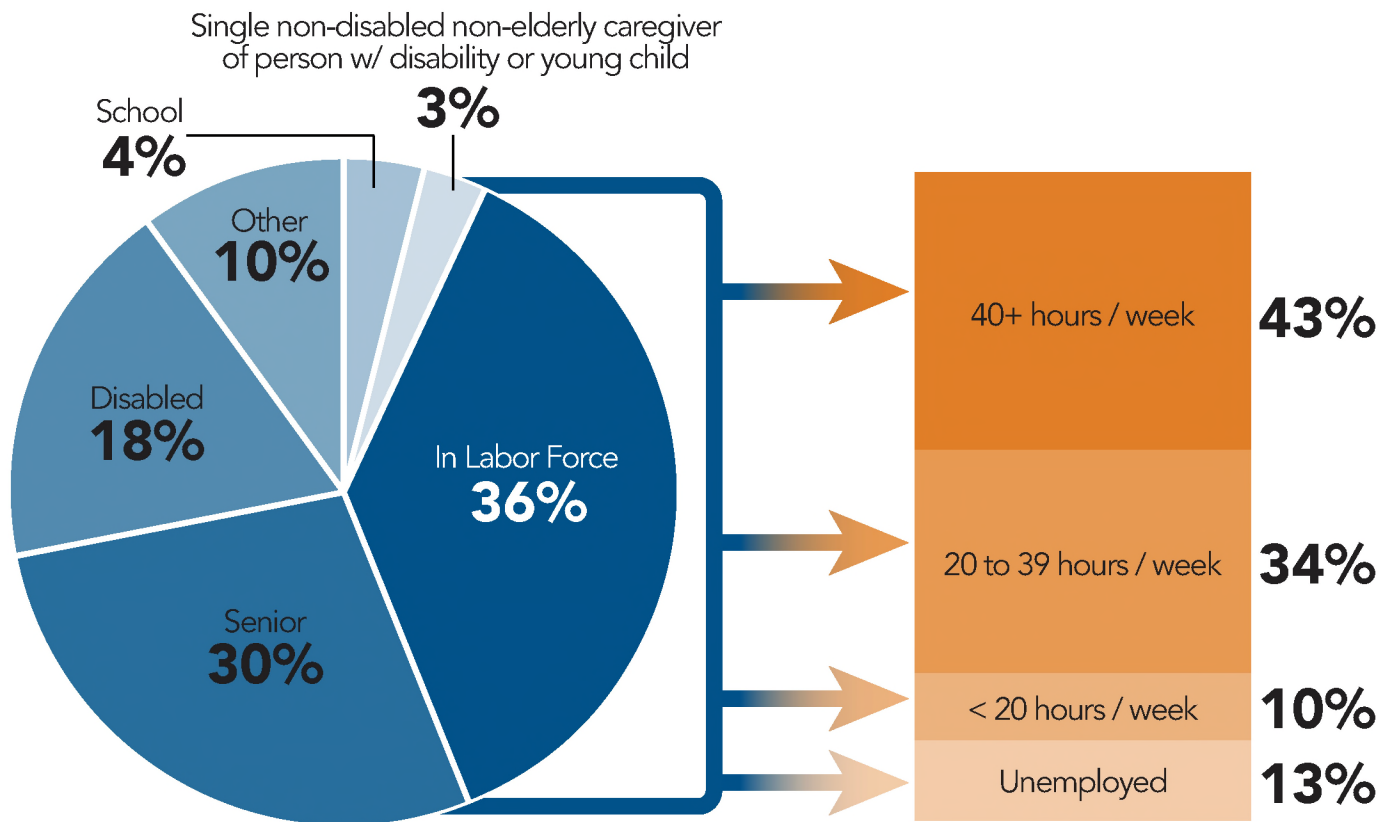
of the total rental stock have a greater share of extremely low-income renters who are severely cost-burdened. HUD assistance includes public housing, Housing Choice Vouchers, and project-based rental assistance. This relationship exists even after considering rental vacancy rates, the share of rental housing in multifamily buildings, and the age of the housing stock. In Boston, 60% of extremely low-income renter households are severely cost-burdened, while HUD-assisted rental housing represents a relatively high share of the rental stock at 18%. Massachusetts also operates its own state-funded public housing programs, which provide over 28,000 additional subsidized units in the Boston metropolitan area (Massachusetts Department of Housing and Community Development, 2020). In Providence, RI, 59% of extremely low-income renter households are severely cost-burdened, while HUD-assisted housing represents 20% of the rental housing stock. In comparison, 86% of extremely low-income renters are severely cost-burdened in the Las Vegas metropolitan area, where HUD-assisted housing represents 4% of the rental housing

FIGURE 8: HUD-ASSISTED SHARE OF RENTAL STOCK AND SHARE OF SEVERELY COST-BURDENED RENTER HOUSEHOLDS IN TOP 50 METROS



Source: NLIHC tabulations of 2019 ACS PUMS and HUD Picture of Subsidized Households data.

FIGURE 9: EXTREMELY LOW INCOME RENTER HOUSEHOLDS



Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or of a household member with a disability, and other. Senior means householder or householder’s spouse (if applicable) is at least 62 years of age. Disabled means householder and householder’s spouse (if applicable) are younger than 62 and at least one of them has a disability. Working hours is usual number of hours worked by householder and householder’s spouse (if applicable). School means householder and householder’s spouse (if applicable) are enrolled in school. Fourteen percent of extremely low-income renter households include a single adult caregiver, 55% of whom usually work more than 20 hours per week. More than ten percent of extremely low-income renter householders are enrolled in school, 48% of whom usually work more than 20 hours per week. Source: 2019 ACS PUMS.

stock. Seventy-nine percent of extremely low-income renters are severely cost-burdened in the Houston, TX and Phoenix, AZ metropolitan areas, where HUD-assisted housing represents 4% of the rental stock.

### WHO ARE EXTREMELY LOW-INCOME RENTERS?

The vast majority of extremely low-income renters work in low-wage jobs or are unable to work. Among extremely low-income renter households, 36% are in the labor force, 30% are seniors, 18%

have a householder with a disability, and another 7% are students or single-adult caregivers to a young child or household member with a disability (Figure 9).<sup>5</sup> Extremely low-income renters are more likely than the general renter population to be at least 62 years old or to have a disability.

In 2019, 77% percent of extremely low-income renter households in the labor force worked more than 20 hours per week, but low-wage employment did not provide them adequate income to afford housing. The national average of what a full-time worker, working 40 hours per week for 52 weeks

5 Based on status of householder(s). A senior household is one whose householder or householder’s spouse (if applicable) is at least 62 years of age.

of the year, needs to earn to afford a modest one-bedroom or two-bedroom apartment is \$19.56 or \$23.96 per hour, respectively (NLIHC, 2020b).<sup>6</sup> Twelve of the twenty largest occupations in the country, including home health aides, janitors, and food servers, provide a median wage lower than what is needed for a full-time worker to afford modest rental housing (NLIHC, 2020b). With wages insufficient to pay for modest rental housing even when individuals work full-time year-round, a brief furlough or loss of hours, as we have seen over the past year, can create debts that renters can never repay.

Extremely low-income renters in the labor force, many already struggling to pay their rents before the pandemic, were significantly impacted by COVID-19. Industries most affected by COVID-19 shutdowns consisted of a disproportionate share of low-wage work (Dey and Loewenstein, 2020). Extremely low-income renters were likely impacted by the closures of restaurants, hotels, and other places of low-wage employment. As of December 2020, 70% of all renters with household incomes less than \$25,000 who were not retired reported their households had lost employment income since mid-March (Census Bureau, 2021a). Many of those able to work steadily through the pandemic were in “essential” or “frontline” jobs that put them at greater risk of exposure to the virus—jobs like cashiers, janitors and maintenance workers, and care aides (Tomer & Kane, 2020).

More than 14% of extremely low-income renters are single-adult caregivers of a young child or of a household member with a disability. More than half (62%) of these caregivers also participate in the labor market. More than one-quarter of these caregivers work full-time, and another one-quarter usually work between 20 and 39 hours per week. Without housing assistance or increases in their hourly wages, they cannot rely on their work hours to afford their homes.

<sup>6</sup> Because this includes renter households out of the labor force for other reasons, the share of renter households with incomes below \$25,000 in the labor force who have lost employment income may be even higher.

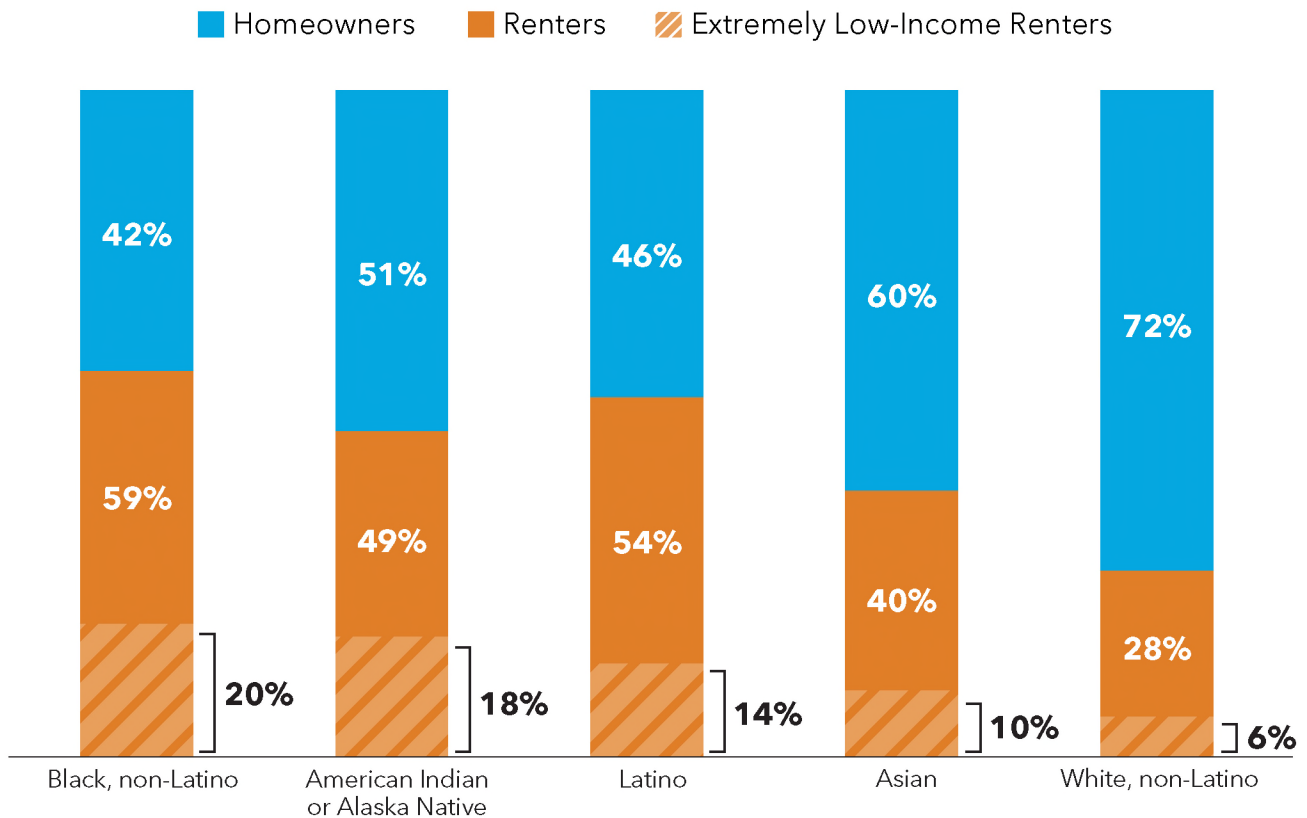
**With wages insufficient to pay for modest rental housing even when individuals work full-time year-round, a brief furlough or loss of hours, as we have seen over the past year, can create debts that renters can never repay.**

## RACIAL DISPARITIES AND EXTREMELY LOW-INCOME RENTERS

Black, Native American, Latino, and Asian households are more likely than white households to be extremely low-income renters. Twenty percent of Black households, 18% of American Indian or Alaska Native households, 14% of Latino households, and 10% of Asian households are extremely low-income renters (Figure 10). In contrast, only 6% percent of white non-Latino households are extremely low-income renters.

Twenty percent of Black households, 18% of American Indian or Alaska Native households, 14% of Latino households, and 10% of Asian households are extremely low-income renters. In contrast, only 6% percent of white non-Latino households are extremely low-income renters.

FIGURE 10: SHARE OF ALL HOUSEHOLDS WHO ARE EXTREMELY LOW-INCOME RENTERS, BY RACE OR ETHNICITY



Source: NLIHC tabulations of 2019 ACS PUMS. Homeowner and renter rates do not always add to 100% due to rounding.

Non-Latino white households account for 64% of all U.S. households (including homeowners and renters), 50% of all renters, and 43% of all extremely low-income renters. Black households, by comparison, account for only 12% of all households, yet they account for 19% of all renters and 26% of all extremely low-income renters. Latino households account for 12% of all U.S. households, 19% of all renters, and 21% of extremely low-income renters.

Historical and ongoing injustices have systematically disadvantaged people of color. One reason white households are more likely than people of color to be homeowners is the immense racial wealth gap, which is the product of centuries of slavery, Jim Crow, and ubiquitous anti-Black discrimination. Even after the end of many of these institutions and practices, our society has failed to redress the economic inequalities already engendered by racist policies, and those inequalities persist today. In 2019, the median Black household's net worth

was roughly 13% of the median white household's net worth, and the median Latino household's net worth was 19% of the median white household's (Board of Governors of the Federal Reserve System, 2020). Because they generally have access to fewer resources and sources of credit, fewer people of color are able to purchase homes.

Decades of racial discrimination by real estate agents, banks and insurers, and the federal government also have made homeownership difficult to obtain for people of color. Many factors kept people of color from being able to purchase homes through the middle of the twentieth century: pervasive refusal of whites to live in racially integrated neighborhoods, physical violence to people of color who tried to integrate (often tolerated by the police), restrictive covenants forbidding home sales to Blacks that would integrate neighborhoods (some of which were mandated by the Federal Housing Administration),

and federal housing policy that denied borrowers access to credit in minority neighborhoods (Massey & Denton, 1993; Coates, 2014; Rothstein, 2017). Being denied the ability to purchase homes also meant that people of color did not benefit from the appreciation in the value of these homes, a major driver of the racial wealth gap.

While overt discrimination was outlawed by the Fair Housing Act of 1968, subtler forms of housing discrimination continue to constrain the options of people of color. HUD's fair housing test in 28 metropolitan areas across the country in 2013 found that Black homebuyers were shown 17.7% fewer homes than white homebuyers with the same qualifications and preferences (HUD, 2013). More recent local fair housing investigations show similar unfavorable treatment of people of color, including being shown fewer homes and not given the same information as whites (Chicago Lawyers' Committee for Civil Rights, 2018; Choi, Herbert, Winslow, & Browne, 2019). Today's credit scoring system and lending practices also continue to serve as barriers to minority homeownership (Rice & Swesnik, 2012; Bartlett, Morse, Stanton, & Wallace, 2019).

Just as racial disparities in homeownership reflect the legacy of a racist society, racial disparities in income testify to the effects of discrimination and unequal opportunities. In the 2019 American Community Survey, the median income of Black and Latino households was 61% and 78% of the median white household, respectively. Hiring discrimination adversely affects people of color: whites receive on average 36% more employment callbacks than Blacks and 24% more than Latinos (Quillian, Pager, Hexel, & Midtbøen, 2017). Research shows no decline in hiring discrimination against Blacks over the past 25 years. Differences in educational opportunity affect incomes, and Black and Latino students still have lower college participation and six-year completion rates than white students (de Brey et al., 2019; Shapiro et al., 2017).

Recent wage growth has been racially unequal even

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**One reason white households are more likely than people of color to be homeowners is the immense racial wealth gap, which is the product of centuries of slavery, Jim Crow, and ubiquitous anti-Black discrimination. Even after the end of many of these institutions and practices, our society has failed to redress the economic inequalities already engendered by racist policies, and those inequalities persist today.**

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for people of the same education. Between 2015 and 2019, white workers with bachelor's degrees saw their wages increase by 6.6%, but Black workers with the same degrees saw their wages decline by 0.3% (Gould & Wilson, 2019). Black workers are more likely than white workers to be underemployed or unemployed at all education levels (Williams & Wilson, 2019). Black and Latino workers were also more likely to lose income or employment during the pandemic. As of January 2021, 43% of white people reported a loss of employment income since March of 2020, compared to 55% of Black people and 60% of Latino people (Census, 2021b).

One can see strong patterns of racial inequality

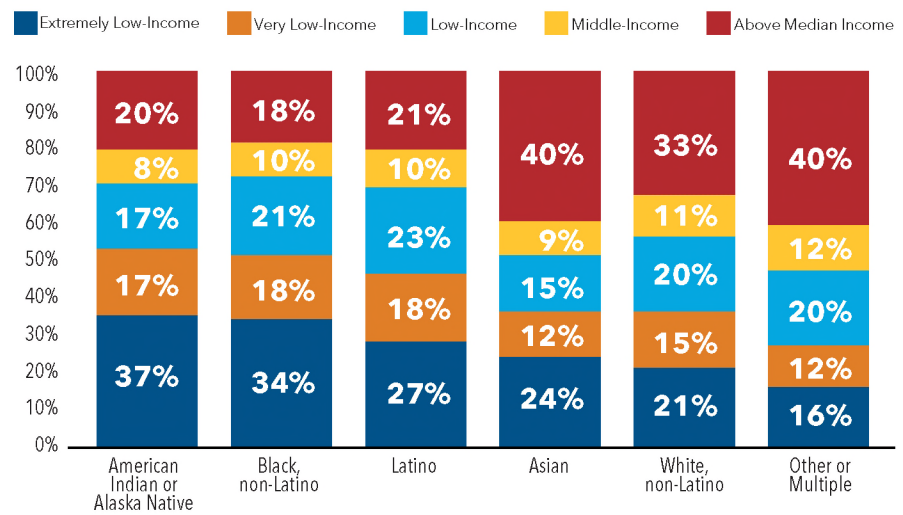
among renters themselves. Households of color are more likely to be extremely low-income renters: 37% percent of American Indian renters, 34% of Black renters, 27% of Latino renters, and 24% of Asian renters have extremely low incomes, compared to 21% of white non-Latino renters (Figure 11).

Racial disparities in socioeconomic status are one reason people of color are more likely than white people to become infected with the coronavirus, to be hospitalized, and to die as a result. A CDC analysis in late November 2020 found that Black and Latino people were 1.4 and 1.7 times more likely to become infected than white, non-Latino people, 3.7 and 4.1 times more likely to be hospitalized, and for both groups 2.8 times more likely to die from COVID-19 (CDC, 2020). The CDC noted that wealth and income, access to health care, and exposure to the virus related to occupation can all affect infection and death rates.

## A SYSTEMIC NATIONAL SHORTAGE OF RENTAL HOUSING FOR EXTREMELY LOW-INCOME HOUSEHOLDS

The severe shortage of affordable homes for extremely low-income renters is systemic, consistently affecting every state and metropolitan area during both periods of economic growth and recessions. The rental market has been losing low-cost homes for decades: between 1990 and 2017, the number of homes with monthly rents lower than \$600 in inflation-adjusted terms declined by four million (La Jeunesse et al., 2019). Brief post-recessionary increases in the low-cost rental supply (as happened between 2009 and 2012) have not stemmed the long-run decline. Economists at the Federal Reserve Bank of New York estimate that

FIGURE 11: INCOME DISTRIBUTION OF RENTERS BY RACE AND ETHNICITY



Source: NLIHC tabulations of 2019 ACS PUMS data. Some columns do not sum to 100 due to rounding.

between 1991 and 2013, through economic booms and busts, the lowest-cost rental homes persistently saw higher rates of rent inflation than the highest-cost homes (McCarthy, Peach, & Ploenzke, 2015).

Economic downturns can impact different segments of rental markets differently. In 2020, the median rent fell by 14% in Washington DC and by 21% in New York City (Popov, Salviati, Warnock, 2021), but those declines do not necessarily bring relief to the lower end of the rental market. Media reports based on data from CoStar, RealPage, and Apartment List indicate that, at least in some metropolitan areas, the most and least expensive ends of the rental market have been affected differently by the downturn in 2020. In Philadelphia, rents fell in large, new buildings in the spring while remaining level in older properties (Adelman, 2020). Six months into the pandemic in Los Angeles, rents in Class A properties, which are the market’s highest-quality apartments, fell by more than 4%, while rents in Class C properties, which are the lowest-quality apartments, fell by only 0.2% (Khoury, 2020a). As rents in Los Angeles County fell, they rose in lower-cost Riverside County, which likely reflects both geographic preferences during the pandemic and renters looking for more affordable options (Khoury, 2020b).

Revenues can fall more quickly at the upper-end of the rental market than the lower-end during a recession (Rice, 2020). Higher-income renters can choose to forgo the more luxurious higher-cost rental homes during an economic downturn and instead rent less expensive homes that are older or that have fewer amenities. Facing higher vacancies, landlords of these higher-end properties must lower rents or offer additional incentives.

As higher-income renters and distressed homeowners seek cheaper alternatives to their current housing, competition for less expensive rental homes may actually increase (Rothenberg et al, 1991). Meanwhile, few of the lowest-income renters have the option of leaving the rental market altogether. Consequently, rents for the least expensive homes may be less responsive to economic downturns, and in some cases they could even increase because of greater demand.

Even if rents at the bottom-end of the market fall during a downturn, they will not fall sufficiently to provide extremely low-income renters with an adequate supply of affordable housing. Owners have an incentive to abandon their rental properties or convert them to other uses when rental income is too low to cover basic operating costs and maintenance. They have little incentive to provide housing in the private-market at rents that are affordable to extremely low-income renters.

During periods of economic growth, the private market on its own still does not provide an adequate supply of rental housing affordable to low-income households. The rents that the lowest-income households can afford to pay typically do not cover the development costs and operating expenses of new housing. While new construction for higher-income renters encourages a chain of household moves that eventually benefits lower-income renters, new luxury units may not impact rents at the bottom of the market as much as they do rents at the top (Jacobus, 2019).

Because the market consistently fails to provide adequate, affordable housing for these renters, the

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## **Even if rents at the bottom-end of the market fall during a downturn, they will not fall sufficiently to provide extremely low-income renters with an adequate supply of affordable housing.**

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government has an essential role to play to correct for this structural failure. The construction of public housing, subsidies to private developers to construct and operate affordable housing, and deeply income-targeted rental assistance to tenants renting in the private market are needed.

## **FEDERAL POLICY SOLUTIONS FOR THE LOWEST-INCOME PEOPLE**

The COVID-19 public health and economic crisis has created an urgent need to keep families stably housed to save lives. In January 2021, more than 20% of all renters had fallen behind on rent payments (Census Bureau, 2021b). In order to forestall a wave of evictions and protect low-income renters during the pandemic, a universal eviction moratorium protecting all renters and easily accessible emergency rental assistance programs for those with the lowest incomes are essential.

Throughout 2020, federal, state, and local governments enacted a variety of moratoriums on evictions for nonpayment of rent. In September 2020, the Centers for Disease Control issued an eviction moratorium that temporarily halts evictions for nonpayment of rent for most renters who have lost income or who face extraordinary medical costs, if they provide a declaration form to their landlord. Currently the CDC moratorium expires on March

31, 2021. Where implemented, the federal, state, and local moratoriums dramatically reduced the rate of evictions (Eviction Lab, 2021) and likely saved lives (Leiftheit et al., 2020). The current CDC eviction moratorium must be extended until the end of crisis—not just until the end of social distancing requirements but until households are again able to pay their rents. It must also be strengthened to make it easier for renters to receive protection and to ensure that landlords comply (NHLP, NLIHC, & Eviction Lab, 2021).

Eviction moratoriums do not solve the crisis on their own, however, because they do not prevent back rent debt from accumulating or help renters pay their bills. To prevent a wave of evictions at the end of any moratorium, the federal government must provide emergency rental assistance covering arrears and future months of rent. Emergency rental assistance programs in 2020 were often swamped with applicants, as the need was greater than the resources offered (Yae et al., 2020). The \$900 billion COVID relief bill passed in December 2020 included \$25 billion for emergency rental assistance programs, and Congress just enacted new legislation providing another \$32.5 billion in emergency rental and utility assistance. This federal support is essential to assist the millions of renters who have fallen behind and cannot pay future rent payments.

While a stronger eviction moratorium and emergency rental assistance are urgently needed to respond to the ongoing public health and economic crisis, fixing the chronic shortage of affordable and available housing for the lowest-income renters requires long-term commitments. Extremely low-income renters struggled before the pandemic and will continue to struggle after it has ended, and many may not be eligible for some current emergency rental assistance programs. Congress must create and fund a permanent housing safety net that protects renters in need and people experiencing homelessness and that automatically responds in crises or disasters, so that officials are not forced to design new programs for every emergency.

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## Fixing the chronic shortage of affordable and available housing for the lowest-income renters requires long-term commitments.

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Congress should create a permanent National Housing Stabilization Fund to provide emergency assistance to low-income households facing housing instability, eviction, or homelessness after an economic shock. Modest temporary assistance could help some households stay in their homes after a short-term job loss or unexpected emergency expense, reducing the long-term negative impact of these events. The “Eviction Crisis Act” proposed in the last Congress by Senators Michael Bennet (D-CO) and Rob Portman (R-OH) would create such a fund (an “Emergency Assistance Fund”) to provide direct, short-term financial assistance and stability services to low-income households facing eviction or homelessness.

The Housing Choice Voucher (HCV) program should be expanded so that every income-eligible household receives assistance. Seventy-eight percent of current HCV recipients are extremely low-income (HUD, 2020b) but, due to chronic underfunding by Congress, only one in four households in need receives assistance (Fischer & Sard, 2017). Voucher recipients find rental housing in the private market and contribute 30% of their adjusted gross incomes toward housing costs. The voucher pays the remaining costs up to the local housing agency’s payment standard. Vouchers typically cost less than new production, making them an efficient and effective form of housing assistance in markets with an abundant supply of physically adequate housing that the lowest-income renters cannot afford without help.

During the 2020 presidential election, President Biden called for fully funding the HCV program to

ensure every eligible household receives assistance. In the same way the Supplemental Nutrition Assistance Program (SNAP) is available for every eligible household when the economy contracts, fully funding the HCV program would increase the agility and resilience of our housing safety net during crises. Until HCVs are made universally available to all eligible households, Congress should pass the “Family Stability and Opportunity Vouchers Act” introduced in the last session of Congress by Senators Todd Young (R-IN) and Chris Van Hollen (D-MD). This bill would create an additional 500,000 housing vouchers specifically for low-income families with young children to expand their access to neighborhood choice. A federal ban on source-of-income discrimination is also needed, since refusal to accept vouchers and other forms of rental assistance makes the process of finding adequate housing much more difficult for many renters (Rosen, 2020), especially renters of color.

Permanently addressing the shortage of affordable and available housing for the lowest-income households in America requires increasing the supply and properly preserving the affordable housing stock. One key tool in that effort is the national Housing Trust Fund (HTF), an annual block grant to states for the creation, preservation, or rehabilitation of rental housing for the lowest-income renters. The distribution of HTF funds to each state and the District of Columbia is determined by their shortage of rental housing affordable and available to extremely low-income and very low-income renters and the extent to which these renters are severely housing cost-burdened.

A review of the first projects awarded HTF money indicates the new program provides homes for people experiencing homelessness, people with disabilities, and seniors (NLIHC, 2019). Members of Congress introduced multiple bills in the last Congressional session to expand the national HTF. The “American Housing and Economic Mobility Act” introduced by Senator Elizabeth Warren (D-

## **Permanently addressing the shortage of affordable and available housing for the lowest-income households in America requires increasing the supply and properly preserving the affordable housing stock.**

MA) in the last session of Congress would invest \$445 billion over ten years to provide up to 2.1 million affordable homes. The “Pathway to Stable and Affordable Housing for All Act,” introduced by Senator Mazie Hirono (D-HI), would invest \$40 billion per year into the HTF. Chairwoman Maxine Waters’s (D-CA) “Ending Homelessness Act” would invest in the HTF with a priority on housing for people experiencing homelessness.

We also must protect the existing supply of affordable homes for the lowest-income renters. Significant capital investment is needed for the rehabilitation and preservation of subsidized and public housing. We estimate 299,303 federally assisted homes will potentially face the expiration of all affordability restrictions by 2024 and an additional 147,783 public housing units are in need of immediate reinvestment (PAHRC & NLIHC, 2020). Seventy-four percent of households living in public housing have extremely low incomes (HUD, 2020b). Public housing provides a deep subsidy to these households: their contributions toward rent are typically 30% of their adjusted gross incomes, and a congressionally appropriated Public Housing Operating Fund covers the remaining operating costs.

The Public Housing Capital Fund is appropriated by Congress for capital improvements and repairs, but decades of under-funding have created a significant backlog of capital needs. The public housing stock may need as much as \$70 billion in

repairs, which, if unaddressed, threatens the quality and even the existence of these homes (NLIHC, 2020). The “Public Housing Emergency Response Act,” introduced by Representative Nydia Velazquez (D-NY), would provide \$70 billion for the Public Housing Capital Fund to address that backlog. The “Housing is Infrastructure Act” introduced by House Financial Services Committee Chairwoman Waters would invest more than \$100 billion to address the capital needs of public housing, create homes through the national HTF, and address the severe housing needs on tribal lands. Beyond protecting the existing supply of public housing, we should work to expand it. The Faircloth Amendment, which limits the total number of public housing units to 1999 levels, should be repealed.

Federal, state, and local officials must implement zoning reforms to overturn the myriad policies that restrict the construction of affordable housing in certain communities and that perpetuate racial and income segregation. And Congress must enact legislation to better protect renters and correct the imbalance of power that tilts so heavily against tenants and in favor of landlords. Congress should start by ensuring that renters have legal representation during evictions. Fewer than 10% of renters have a lawyer in housing court (Engler, 2010), though tenants with representation are much more likely to avoid eviction. A right to counsel in housing court would help many households stay stably housed. Congress should also advance legislation to expunge eviction records and allow only “just cause” evictions.

## CONCLUSION

Households enjoy better health, educational opportunities, and economic mobility when they can afford decent, stable housing (Maqbool, Viveiros, & Ault, 2015; Sandel et al., 2018; Newman & Holupka, 2015; Desmond & Gershenson, 2016), and society as a whole will reap the benefits of healthier, thriving people, families, and communities. Even if there were no shared societal benefits, it is

unjust to deprive people of the basic necessity of housing, and we are all complicit in that injustice if we let a shortage of affordable and available homes for those most in need persist.

COVID-19 has made painfully clear that our public health and collective well-being require a society in which everyone enjoys stable, decent, accessible, and affordable housing. We need a sustained public commitment to build and maintain affordable housing for the lowest-income households in America and to ensure that every household in need receives assistance.

## ABOUT THE DATA

This report is based on data from the 2019 American Community Survey (ACS) Public Use Microdata Sample (PUMS). The ACS is an annual nationwide survey of approximately 3.5 million addresses. It provides timely data on the social, economic, demographic, and housing characteristics of the U.S. population. PUMS contains individual ACS questionnaire records for a subsample of housing units and their occupants.

PUMS data are available for geographic areas called Public Use Microdata Sample Areas (PUMAs). Individual PUMS records were matched to their appropriate metropolitan area or given nonmetropolitan status using the [Missouri Census Data Center’s MABLE/Geocorr 2018 Geographic Correspondence Engine](#). If at least 50% of a PUMA was in a Core Based Statistical Area (CBSA), we assigned it to the CBSA. Otherwise, the PUMA was given nonmetropolitan status.

Households were categorized by their incomes (as extremely low-income, very low-income, low-income, middle-income, or above median income) relative to their metropolitan area’s median family income or state’s nonmetropolitan median family income, adjusted for household sizes. Housing units were categorized according to the income needed to afford the rent and utilities without spending more than 30% of income. The categorization of units was done without regard to the incomes of the current

tenants. Housing units without complete kitchens or plumbing facilities were not included in the housing supply.

After households and units were categorized, we analyzed the extent to which households in each income category resided in housing units categorized as affordable for that income level. For example, we estimated the number of units affordable for extremely low-income households that were occupied by extremely low-income households and by other income groups.

We categorized households into mutually exclusive household types in the following order: (1) householder or householder's spouse were at least 62 years of age (seniors); (2) householder and householder's spouse (if applicable) were younger than 62 and at least one of them had a disability (disabled); and (3) non-senior non-disabled household. We also categorized households into more detailed mutually exclusive categories in the following order: (1) elderly; (2) disabled; (3) householder and householder's spouse (if applicable) were younger than 62 and unemployed; (4) non-senior non-disabled householder and/or householder's spouse (if applicable) were working; (5) householder and householder's spouse (if applicable) were enrolled in school; and (6) non-senior non-disabled single adult was living with a young child under seven years of age or person with disability.

More information about the ACS PUMS files is available at <https://www.census.gov/programs-surveys/acs/technical-documentation/pums/about.html>

## FOR MORE INFORMATION

For further information regarding this report and the methodology, please contact NLIHC Vice President for Research Andrew Aurand at [aaurand@nlihc.org](mailto:aaurand@nlihc.org) or 202-662-1530 x245.

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# APPENDIX A: STATE COMPARISONS

States in **RED** have less than the national level of affordable and available units per 100 households at or below the extremely low income (ELI) threshold.

State	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
	At or below ELI	At or below 50% AMI	At or below ELI	At or below 50% AMI	At or below 80% AMI	At or below 100% AMI	At or below ELI	> ELI to 50% AMI	51% to 80% AMI	81% to 100% AMI
Alabama	(73,075)	(43,284)	58	84	111	113	66%	24%	2%	1%
Alaska	(11,489)	(14,943)	37	54	98	106	58%	33%	4%	0%
<b>Arizona</b>	<b>(136,032)</b>	(160,488)	<b>26</b>	49	93	102	75%	34%	8%	1%
Arkansas	(51,507)	(42,142)	52	74	105	106	61%	25%	2%	2%
<b>California</b>	<b>(962,667)</b>	(1,392,136)	<b>24</b>	34	69	87	76%	47%	17%	4%
<b>Colorado</b>	<b>(113,110)</b>	(143,767)	<b>30</b>	49	94	103	74%	31%	6%	2%
Connecticut	(86,717)	(76,268)	42	67	102	106	64%	26%	4%	0%
<b>Delaware</b>	<b>(19,915)</b>	(17,178)	<b>28</b>	61	101	108	72%	35%	8%	1%
District of Columbia	(23,370)	(19,209)	50	72	96	105	62%	22%	4%	1%
<b>Florida</b>	<b>(384,743)</b>	(564,511)	<b>28</b>	38	78	97	79%	54%	18%	4%
Georgia	(193,726)	(216,839)	41	59	100	107	72%	32%	6%	1%
Hawaii	(24,721)	(36,467)	38	44	76	89	69%	46%	20%	11%
Idaho	(22,287)	(22,287)	40	68	99	102	64%	23%	3%	1%
Illinois	(268,089)	(198,750)	39	73	100	103	68%	20%	5%	1%
Indiana	(126,952)	(68,599)	37	81	107	107	72%	19%	2%	2%
Iowa	(65,926)	(21,293)	37	88	105	105	68%	11%	2%	1%
Kansas	(44,042)	(20,807)	49	86	109	110	63%	21%	2%	1%
Kentucky	(77,701)	(49,074)	54	81	107	108	62%	17%	3%	0%
Louisiana	(102,785)	(94,972)	49	65	103	108	66%	28%	7%	2%
Maine	(19,031)	(22,056)	54	69	99	103	58%	16%	5%	0%
<b>Maryland</b>	<b>(131,793)</b>	(133,539)	<b>32</b>	59	102	106	74%	26%	3%	1%
Massachusetts	(156,028)	(182,558)	48	61	91	99	60%	29%	6%	1%
<b>Michigan</b>	<b>(204,728)</b>	(154,595)	<b>35</b>	70	102	105	73%	22%	4%	1%
Minnesota	(94,390)	(67,724)	42	75	102	104	65%	16%	4%	0%
Mississippi	(42,952)	(44,691)	61	70	107	111	63%	31%	5%	1%
Missouri	(122,075)	(72,937)	43	79	103	104	65%	17%	2%	1%
Montana	(17,697)	(13,024)	46	78	104	108	68%	17%	4%	2%
Nebraska	(30,926)	(20,380)	44	80	102	104	65%	15%	3%	1%
<b>Nevada</b>	<b>(84,320)</b>	(105,575)	<b>20</b>	38	91	104	81%	43%	9%	2%
New Hampshire	(22,974)	(20,410)	39	69	100	103	59%	26%	3%	0%
<b>New Jersey</b>	<b>(205,285)</b>	(265,191)	<b>32</b>	47	91	99	71%	35%	6%	2%
New Mexico	(30,154)	(26,964)	53	71	104	110	66%	30%	8%	1%
New York	(609,225)	(647,914)	37	56	87	97	70%	34%	8%	4%
North Carolina	(190,910)	(182,643)	45	67	103	107	66%	25%	5%	1%
North Dakota	(16,313)	1,809	47	103	111	110	58%	7%	1%	0%
Ohio	(252,027)	(141,539)	42	80	102	103	66%	16%	3%	1%
Oklahoma	(71,172)	(46,180)	47	78	107	108	67%	15%	3%	1%
<b>Oregon</b>	<b>(98,949)</b>	(128,464)	<b>25</b>	44	89	99	77%	33%	8%	3%
Pennsylvania	(261,060)	(223,454)	39	69	98	102	68%	24%	5%	2%
Rhode Island	(21,678)	(19,684)	52	74	102	107	56%	26%	3%	0%
South Carolina	(87,369)	(79,756)	44	67	105	108	70%	26%	5%	3%
South Dakota	(11,029)	(967)	58	98	109	108	61%	9%	2%	0%
Tennessee	(116,172)	(109,923)	47	68	103	107	66%	28%	5%	1%
<b>Texas</b>	<b>(594,194)</b>	(699,747)	<b>29</b>	51	101	108	74%	32%	5%	1%
<b>Utah</b>	<b>(45,421)</b>	(41,676)	<b>32</b>	63	104	108	71%	27%	3%	0%
Vermont	(9,613)	(11,973)	49	65	102	104	64%	33%	2%	0%
Virginia	(148,720)	(149,300)	39	63	102	106	71%	29%	4%	0%
<b>Washington</b>	<b>(157,461)</b>	(198,122)	<b>31</b>	50	94	100	68%	32%	6%	2%
West Virginia	(24,460)	(19,674)	60	79	108	109	64%	20%	4%	0%
Wisconsin	(119,057)	(59,200)	37	82	103	104	65%	16%	1%	1%
Wyoming	(7,479)	2,186	61	107	117	115	59%	12%	0%	7%
<b>USA Totals</b>	<b>(6,793,516)</b>	<b>(7,088,879)</b>	<b>37</b>	<b>60</b>	<b>94</b>	<b>102</b>	<b>70%</b>	<b>30%</b>	<b>7%</b>	<b>2%</b>

Source: NLIHC Tabulations of 2019 ACS PUMS data

# APPENDIX B: METROPOLITAN COMPARISONS

Metropolitan Areas in **RED** have less than the national level of affordable and available units per 100 households at or below the extremely low income threshold

Metro Area	Surplus (Deficit) of Affordable and Available Units		Affordable and Available Units per 100 Households at or below Threshold				% Within Each Income Category with Severe Housing Cost Burden			
	At or below ELI	At or below 50% AMI	At or below ELI	At or below 50% AMI	At or below 80% AMI	At or below 100% AMI	At or below ELI	31% to 50% AMI	51% to 80% AMI	81% to 100% AMI
<b>Atlanta-Sandy Springs-Roswell, GA</b>	<b>(116,395)</b>	(140,557)	<b>29</b>	51	97	105	77%	35%	8%	1%
<b>Austin-Round Rock, TX</b>	<b>(52,595)</b>	(69,833)	<b>23</b>	44	101	107	79%	35%	4%	0%
<b>Baltimore-Columbia-Towson, MD</b>	<b>(63,766)</b>	(55,591)	<b>35</b>	65	102	106	73%	28%	3%	1%
Boston-Cambridge-Newton, MA-NH	(106,135)	(132,573)	49	58	89	98	60%	31%	6%	1%
Buffalo-Cheektowaga-Niagara Falls, NY	(31,223)	(18,737)	39	77	98	100	71%	18%	5%	2%
Charlotte-Concord-Gastonia, NC-SC	<b>(41,923)</b>	(36,800)	<b>38</b>	69	106	110	67%	25%	4%	1%
<b>Chicago-Naperville-Elgin, IL-IN-WI</b>	<b>(209,326)</b>	(179,363)	<b>34</b>	68	98	102	71%	22%	5%	1%
Cincinnati, OH-KY-IN	(49,999)	(17,033)	42	88	104	104	64%	12%	1%	0%
Cleveland-Elyria, OH	(50,012)	(31,210)	43	78	101	102	64%	20%	4%	1%
<b>Columbus, OH</b>	<b>(48,462)</b>	(31,413)	<b>32</b>	74	102	104	68%	17%	3%	0%
<b>Dallas-Fort Worth-Arlington, TX</b>	<b>(149,026)</b>	(190,268)	<b>21</b>	47	101	111	81%	33%	6%	1%
<b>Denver-Aurora-Lakewood, CO</b>	<b>(58,136)</b>	(87,083)	<b>30</b>	42	94	103	73%	33%	5%	2%
<b>Detroit-Warren-Dearborn, MI</b>	<b>(102,246)</b>	(76,584)	<b>29</b>	68	100	103	76%	24%	5%	1%
<b>Fresno, CA</b>	<b>(33,829)</b>	(36,418)	<b>22</b>	41	83	95	73%	36%	12%	7%
Hartford-West Hartford-East Hartford, CT	(32,979)	(22,708)	37	72	104	106	66%	23%	1%	0%
<b>Houston-The Woodlands-Sugar Land, TX</b>	<b>(170,833)</b>	(203,904)	<b>19</b>	46	100	108	79%	35%	3%	2%
<b>Indianapolis-Carmel-Anderson, IN</b>	<b>(52,190)</b>	(30,520)	<b>23</b>	75	104	105	82%	21%	2%	2%
<b>Jacksonville, FL</b>	<b>(27,827)</b>	(34,691)	<b>31</b>	52	99	109	75%	32%	10%	1%
Kansas City, MO-KS	(43,172)	(24,610)	38	80	102	104	65%	17%	2%	2%
<b>Las Vegas-Henderson-Paradise, NV</b>	<b>(66,123)</b>	(86,134)	<b>16</b>	32	90	105	86%	49%	10%	1%
<b>Los Angeles-Long Beach-Anaheim, CA</b>	<b>(372,743)</b>	(585,202)	<b>20</b>	26	57	78	80%	54%	22%	7%
Louisville/Jefferson County, KY-IN	(23,832)	(14,728)	43	79	108	110	61%	20%	5%	1%
<b>Memphis, TN-MS-AR</b>	<b>(32,719)</b>	(33,749)	<b>34</b>	56	105	109	79%	43%	7%	2%
<b>Miami-Fort Lauderdale-West Palm Beach, FL</b>	<b>(139,809)</b>	(221,645)	<b>22</b>	24	49	77	80%	71%	30%	6%
<b>Milwaukee-Waukesha-West Allis, WI</b>	<b>(47,897)</b>	(24,643)	<b>27</b>	78	102	104	73%	14%	3%	1%
<b>Minneapolis-St. Paul-Bloomington, MN-WI</b>	<b>(72,633)</b>	(56,653)	<b>36</b>	69	100	103	68%	16%	3%	1%
<b>Nashville-Davidson--Murfreesboro--Franklin, TN</b>	<b>(34,883)</b>	(35,011)	<b>35</b>	62	103	110	68%	27%	4%	0%
<b>New Orleans-Metairie, LA</b>	<b>(35,620)</b>	(41,291)	<b>34</b>	47	98	104	74%	39%	7%	4%
<b>New York-Newark-Jersey City, NY-NJ-PA</b>	<b>(607,338)</b>	(771,855)	<b>36</b>	47	83	95	71%	39%	8%	4%
<b>Oklahoma City, OK</b>	<b>(33,495)</b>	(15,823)	<b>32</b>	82	108	108	71%	12%	2%	0%
<b>Orlando-Kissimmee-Sanford, FL</b>	<b>(39,182)</b>	(70,648)	<b>28</b>	28	77	106	78%	65%	14%	4%
<b>Philadelphia-Camden-Wilmington, PA-NJ-DE-MD</b>	<b>(156,980)</b>	(146,428)	<b>30</b>	59	97	102	75%	28%	5%	1%
<b>Phoenix-Mesa-Scottsdale, AZ</b>	<b>(89,485)</b>	(115,156)	<b>21</b>	44	91	102	79%	37%	8%	1%
Pittsburgh, PA	(43,586)	(22,795)	48	84	98	101	60%	19%	7%	5%
<b>Portland-Vancouver-Hillsboro, OR-WA</b>	<b>(61,303)</b>	(80,675)	<b>21</b>	39	90	99	79%	36%	7%	2%
Providence-Warwick, RI-MA	(35,563)	(30,005)	50	75	102	106	59%	24%	3%	2%
<b>Raleigh, NC</b>	<b>(28,845)</b>	(23,077)	<b>34</b>	70	111	112	68%	18%	1%	2%
<b>Richmond, VA</b>	<b>(27,262)</b>	(26,348)	<b>36</b>	64	106	107	74%	29%	2%	0%
<b>Riverside-San Bernardino-Ontario, CA</b>	<b>(83,904)</b>	(118,153)	<b>21</b>	35	71	90	78%	48%	17%	2%
<b>Sacramento--Roseville--Arden-Arcade, CA</b>	<b>(59,894)</b>	(85,867)	<b>22</b>	36	85	98	81%	41%	8%	1%
<b>San Antonio-New Braunfels, TX</b>	<b>(43,755)</b>	(57,508)	<b>30</b>	47	98	107	73%	30%	6%	1%
<b>San Diego-Carlsbad, CA</b>	<b>(76,904)</b>	(129,576)	<b>22</b>	28	64	88	81%	58%	21%	4%
<b>San Francisco-Oakland-Hayward, CA</b>	<b>(121,244)</b>	(148,620)	<b>35</b>	49	81	93	66%	33%	11%	2%
<b>San Jose-Sunnyvale-Santa Clara, CA</b>	<b>(40,550)</b>	(54,148)	<b>29</b>	44	83	100	74%	40%	9%	0%
<b>Seattle-Tacoma-Bellevue, WA</b>	<b>(90,521)</b>	(118,846)	<b>30</b>	47	92	100	68%	37%	6%	2%
St. Louis, MO-IL	(58,192)	(21,548)	41	87	104	105	65%	13%	2%	2%
<b>Tampa-St. Petersburg-Clearwater, FL</b>	<b>(58,584)</b>	(85,185)	<b>27</b>	40	92	105	81%	45%	13%	2%
<b>Tucson, AZ</b>	<b>(25,402)</b>	(23,857)	<b>29</b>	61	102	105	74%	26%	6%	4%
<b>Virginia Beach-Norfolk-Newport News, VA-NC</b>	<b>(32,688)</b>	(35,750)	<b>35</b>	60	99	107	72%	36%	6%	1%
<b>Washington-Arlington-Alexandria, DC-VA-MD-WV</b>	<b>(126,815)</b>	(147,023)	<b>32</b>	52	99	105	73%	28%	3%	0%
<b>USA Totals</b>	<b>(6,793,516)</b>	<b>(7,088,879)</b>	<b>37</b>	<b>60</b>	<b>94</b>	<b>102</b>	<b>70%</b>	<b>30%</b>	<b>7%</b>	<b>2%</b>

Source: NLIHC Tabulations of 2019 ACS PUMS data

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# EXHIBIT 6

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# Under one roof: U.S. cities look to co-living to ease housing crisis

by [Carey L. Biron \(/profile/?id=003D000002CqJQ8IAN\)](/profile/?id=003D000002CqJQ8IAN) | [@clbtea](https://twitter.com/clbtea) (<http://www.twitter.com/@clbtea>) | Thomson Reuters Foundation  
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**NEWS**  
~~Often 30% cheaper than a studio apartment, shared housing units give tenants more options~~  
 and frees up homes for families to rent

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By Carey L. Biron

WASHINGTON, Dec 15 (Thomson Reuters Foundation) - When teacher Ashley Johnson arrived in Atlanta after a cross-country move last year, she was quickly confronted with the city's affordable housing shortage, **one of the worst** ([https://reports.nlihc.org/sites/default/files/gap/Gap-Report\\_2020.pdf](https://reports.nlihc.org/sites/default/files/gap/Gap-Report_2020.pdf)) in the country.

Eventually, a friend told her about a service called PadSplit, which connects tenants with shared housing options, similar to boarding houses, that are quickly growing in popularity across the United States.

For \$145 a week, including utilities - far less than an apartment would have cost her - Johnson found a room in a house with four other housemates, just minutes from her work, with a furnished bedroom, and shared bathroom, kitchen and living room.

Five months later, she was able to move out. "It gave me time to save enough money to get my own housing," Johnson, 30, told the Thomson Reuters Foundation by phone.

[https://reports.secure.force.com/members/members\\_login?flag=true](https://reports.secure.force.com/members/members_login?flag=true)

Informal shared housing - when someone finds roommates and splits the cost of an apartment. **NEWS** remains a key way for young people to move to urban areas and join the workforce.

(1)

Formal shared housing - also known as co-living when it refers to tenants from higher income levels - differs in that a specialized firm vets applicants and typically deals with utility bills so tenants have just one monthly payment.

The rise of this type of housing has also allowed companies to construct or refurbish buildings specifically for this use.

The idea is not a new one but it is seeing a resurgence in U.S. cities as both residents and housing providers grapple with an **ongoing shortage** (<https://reports.nlihc.org/gap>) of affordable units.

Nearly half of realtors **reported seeing an increase** (<https://cdn.nar.realtor/sites/default/files/documents/2020-02-commercial-real-estate-market-trends-and-outlook-01-29-2020.pdf>) in "group-living" last year, according to the National Association of Realtors.

And that trend does not appear to have been slowed by the novel coronavirus pandemic, despite the potential implications of an airborne virus for shared housing.

By the end of the second quarter of 2020, there were about 8,000 co-living "beds" in the United States, with more than 54,000 more under development, **according to a November report** (<https://www.cushmanwakefield.com/en/insights/covid-19/coliving-during-covid-19>) from Cushman & Wakefield, a real estate services

firm (<https://surveys.trust.org/ABOBT/THOMSON REUTERS FOUNDATION>) ([https://trustorg.secure.force.com/members/members\\_login?flag=true](https://trustorg.secure.force.com/members/members_login?flag=true))

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Such options are up to 30% cheaper than studio apartments, the report found, **Spring on to news** several indicators point to continued demand" despite the pandemic.

Coronavirus (/coronavirus/) Women (/womens-rights/) LGBT+ (/lgbt/) Climate (/climate/) Economies (/economies/) Technology (/technology/) Slavery (/trafficking/) Cities (/cities/)

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That does not surprise PadSplit founder Atticus LeBlanc, whose company focuses on tenants making an average of about \$25,000 a year - "the front-line workforce," he said.

"They don't have access to any other type of housing," LeBlanc said.

"Their options are in an extended-stay motel that is twice as much or more, so they can't afford it. Or they can look at living in a car or on someone's sofa. That's it."

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NEWS

## MODERN-DAY BOARDING HOUSES

(/)

Boarding or rooming houses played a key role in housing U.S. urban workers for decades and, at the time, helped keep the homelessness rate close to zero, said Nan Roman, president of the National Alliance to End Homelessness.

As recently as the 1960s, there may have been as many as 2 million such "single room occupancy" (SRO) units across the country, but today that number has probably fallen to fewer than 100,000, she said.

The alliance encourages cities to pay more attention to shared housing, Roman said, noting that getting the SRO number back to 2 million would "solve the homelessness crisis" for most individuals.

"We're 7 million units short of enough affordable housing, and we won't fill that anytime soon. So, people will have to share," she said.

Affordable housing was the motivating factor for LeBlanc at PadSplit, an idea he began to work on in 2017 in recognition of the "wasted space" in many residential buildings.

"A formal dining room or home office - how often are those used?" he asked. "So aren't we better off reusing that existing space and redeploying it as affordable housing?"

Some PadSplit units are in private homes - Finch himself rents out a room in his house to tenants - while others are in multi-unit buildings.

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PadSplit units are paid for on a weekly basis with utilities included, have no long-term commitments and give renters access to additional services like fractional medicine and credit reporting.

(1)

The company, which does background checks on all applicants, operates about 1,100 units, primarily in Atlanta, and is planning to move into multiple other cities, Finch said.

For developers, shared housing offers a new revenue stream, said Brittany Mosely, who runs a real estate investment firm in Atlanta with her husband.

Partnering with PadSplit for the past two years, they now have 43 shared units in nine properties, with 15 more under development.

"Interest has clearly increased drastically over the last two years. When we have one member move out, those rooms are now filled within days," she said.

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## FREEING UP AFFORDABLE HOUSING

City authorities are starting to look more closely at shared housing, though supporters say a host of zoning and other regulations remain obstacles in most jurisdictions, particularly rules on the number of unrelated people who can live together.

Last year, lawmakers in San Jose, California, tweaked the local zoning code to add co-living, allowing construction to begin on an 800-unit, 18-story project.

# Offering private bedrooms and bathrooms, but shared kitchens and other living spaces, NEWS project is reportedly the largest co-living building in the world

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And New York City is in the midst of a pilot project on shared housing that will see two companies, PadSplit and New York City-based Common, construct more than 300 units to serve primarily low-income residents.

"The construction of apartments with shared facilities can increase housing options for individuals who face a competitive market for small apartments," said Jeremy House, press secretary for the city's Housing Development Corporation.

Otherwise, those people "often end up living with roommates in larger apartments that could otherwise accommodate families," he said in emailed comments.

For instance, three single roommates can often afford to spend far more on rent than a family of four, which drives up the market rate of a three-bedroom apartment, explained Brad Hargreaves, chief executive officer at Common.

"If you can provide different solutions for single people who need housing, you're going to avoid them taking other units off the market," said Hargreaves, whose company launched five years ago and now operates in 10 cities.

While the concept of designed co-living remains new, he said, "I certainly think this will be part of affordable housing solutions going forward."

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NEWS

# EXHIBIT 7

## Featured Article

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# Coliving: A Nontraditional Affordable Housing Option



A panel at the recent NAEH conference discussed homesharing, a living arrangement in which two or more unrelated individuals share a house or apartment. An example of homesharing is when homeowners provide college students with housing in exchange for an agreed level of support such as assistance with household tasks.

Almost half of all individual adults experiencing homelessness — the largest population currently experiencing homelessness — are unsheltered. With housing costs continuing to rise and affordable housing options limited by strict zoning and building codes, among other factors, new coliving alternatives may offer a solution to the affordable housing crisis facing individual adults. Coliving housing consists of a small living space — usually with multiple beds

per room — offered at an affordable price. On February 21–22, 2019, the National Alliance to End Homelessness (NAEH) held its annual Solutions for Individual Homeless Adults National Conference in San Diego, California. Moderated by NAEH director Mindy Mitchell, the panel, “Thinking Outside the One-Bedroom Apartment Box: Non-Traditional Affordable Housing Options,” featured Shamus Roller of the National Housing Law Project, Juleeann Fisher of Shared Housing Services, and Meg Pohodich of Harmony House. The panelists discussed various coliving options, including residential hotels, worker dormitories, and homesharing programs.

### Regulatory Barriers to Coliving

Popularized in the 19th and 20th centuries, coliving housing such as single-room occupancy buildings, boarding houses, and residential hotels lined American streets and provided working-class individuals and families with affordable shelter. Often designed around shared bathroom or kitchen facilities, coliving spaces fulfilled the need for affordable housing by offering small units or even just a bed to those in need. According to Roller, many coliving buildings also offered short leases, sometimes allowing tenants to pay for housing by the night. By the end of the 20th century, however, coliving spaces had virtually disappeared from most cities. One major reason for this, noted Roller, was the effect of new zoning and building regulations on the American housing stock. Regulations dictating minimum square footages for living space and the number of unrelated individuals allowed to live under one roof reshaped the affordable housing industry and made coliving essentially illegal.

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Although zoning regulations were created in part to improve safety, Roller also argued that zoning is based in and reinforces a decades-old system of racial segregation. Certain laws were written to uphold a standard of living thought reasonable by the elite rather than focusing on the needs of the working class. For Roller, loosening strict zoning regulations to allow coliving housing may help ease the burden of high housing costs. Coliving housing uses a fraction of the space per person that the minimum standards for most apartment buildings require. As Roller pointed out, reintroducing coliving spaces will require a larger conversation about zoning, health and safety, and affordable housing in addition to addressing new challenges such as parking requirements.

### **Homesharing Provides Mutual Benefits**

The complete revival of coliving spaces will not happen overnight, but some organizations are taking small steps by using existing housing to implement homesharing programs. Homesharing, said Fisher, is a living arrangement in which two or more unrelated individuals share a house or apartment. The programs foster a mutually beneficial relationship between an individual experiencing (or at risk of experiencing) homelessness and homeowners. Individuals needing shelter benefit from having a stable housing option, while homeowners reduce their high housing costs. By using existing homes, homesharing also helps reduce the risk of foreclosure and prevent unnecessary vacancy. Currently, said Fisher, only about 60 homesharing programs exist nationally. In the state of Washington, the University of Washington Tacoma partnered with Shared Housing Services to start the Husky2Husky program, which connects Tacoma homeowners with a spare room with students struggling with high housing costs; in exchange for housing, students provide homeowners with an agreed level of support — assistance with household tasks or a financial exchange. Both students and homeowners benefit; the student receives a stable and affordable living situation, and the homeowner receives additional income or services for an otherwise unused space.

### **Coliving Alive and Well in Houston**

Coliving spaces are also making a comeback in cities where zoning laws pose less of a challenge. In Houston, a city without formal zoning codes, coliving options are providing housing to unsheltered individuals. Harmony House, said Pohodich, is a 25-year-old worker dormitory that offers transitional supportive housing and 87 beds for working men experiencing homelessness. Potential residents of Harmony House must have a valid form of identification and proof of employment, but Pohodich also stated that Harmony House is flexible with these requirements to ensure that those in need of a bed can be sheltered. Residents can pay rent daily, weekly, or monthly, with typical costs set at \$13 per day, \$65 per week, and \$235 per month. All rental payments go toward building upkeep and general operations, keeping Harmony House a self-sustainable

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housing option for many. According to Pohodich, the success of Harmony House's first building has led the organization to develop a new worker dormitory with 128 additional beds.

### The Future of Coliving

Rethinking what affordable housing looks like will require ongoing research and conversations. As the featured panelists point out, coliving spaces may be one alternative that can supply much-needed shelter to individual adults experiencing homelessness. Homesharing programs and housing options like Harmony House are already showing what successful coliving can do. Challenges remain, however, and barriers such as zoning regulations, building codes, and neighborhood opposition will need to be addressed before coliving spaces are fully reintroduced into the affordable housing stock.

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# EXHIBIT 8

**SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON FINAL RHNA METHODOLOGY & FINAL CONNECT SOCIAL**  
 9/3/20

**ALLOCATION BY COUNTY**

	Total	Very-low income	Low income	Moderate income	Above moderate income
Imperial	15,956	4,659	2,352	2,194	6,751
Los Angeles	813,082	217,565	123,171	131,532	340,814
Orange	183,430	46,295	29,176	32,482	75,477
Riverside	167,177	41,943	26,450	29,146	69,638
San Bernardino	137,786	35,575	21,855	24,087	56,269
Ventura	24,396	5,759	3,803	4,516	10,318
<b>TOTAL</b>	<b>1,341,827</b>	<b>351,796</b>	<b>206,807</b>	<b>223,957</b>	<b>559,267</b>

**ALLOCATION BY LOCAL JURISDICTION**

County	Total	Very-low income	Low income	Moderate income	Above- moderate income
Adelanto city	3756	394	565	650	2147
Agoura Hills city	318	127	72	55	64
Alhambra city	6808	1769	1033	1077	2929
Aliso Viejo city	1193	389	214	205	385
Anaheim city	17411	3757	2391	2939	8324
Apple Valley town	4280	1083	599	745	1853
Arcadia city	3206	1099	569	604	934
Artesia city	1067	311	168	128	460
Avalon city	27	8	5	3	11
Azusa city	2646	759	367	382	1138
Baldwin Park city	1996	574	275	262	885
Banning city	1668	316	192	279	881

## ALLOCATION BY LOCAL JURISDICTION

	County	Total	Very-low income	Low income	Moderate income	Above- moderate income
Barstow city	San Bernardino	1516	172	227	299	818
Beaumont city	Riverside	4202	1226	720	722	1534
Bell city	Los Angeles	228	43	23	29	133
Bell Gardens city	Los Angeles	501	99	29	72	301
Bellflower city	Los Angeles	3726	1012	487	552	1675
Beverly Hills city	Los Angeles	3096	1005	678	601	812
Big Bear Lake city	San Bernardino	212	50	33	37	92
Blythe city	Riverside	493	82	71	96	244
Bradbury city	Los Angeles	41	16	9	9	7
Brawley city	Imperial	1423	398	210	202	613
Brea city	Orange	2360	667	393	402	898
Buena Park city	Orange	8899	2114	1340	1570	3875
Burbank city	Los Angeles	8751	2546	1415	1406	3384
Calabasas city	Los Angeles	353	131	71	70	81
Calexico city	Imperial	4856	1276	653	612	2315
Calimesa city	Riverside	2013	494	275	378	866
Calipatria city	Imperial	151	36	21	16	78
Camarillo city	Ventura	1373	352	244	270	507
Canyon Lake city	Riverside	128	43	24	24	37
Carson city	Los Angeles	5605	1766	911	873	2055
Cathedral City city	Riverside	2542	538	352	456	1196
Cerritos city	Los Angeles	1903	678	344	331	550
Chino city	San Bernardino	6961	2107	1281	1201	2372
Chino Hills city	San Bernardino	3720	1384	819	787	730
Claremont city	Los Angeles	1707	554	309	297	547
Coachella city	Riverside	7867	1030	997	1364	4476
Colton city	San Bernardino	5420	1314	666	904	2536
Commerce city	Los Angeles	246	55	22	38	131
Compton city	Los Angeles	1001	235	121	130	515
Corona city	Riverside	6075	1748	1038	1094	2195
Costa Mesa city	Orange	11733	2912	1790	2084	4947
Covina city	Los Angeles	1905	612	267	281	745
Cudahy city	Los Angeles	392	80	36	53	223
Culver City city	Los Angeles	3333	1105	603	559	1066
Cypress city	Orange	3927	1147	656	622	1502
Dana Point city	Orange	530	147	84	101	198
Desert Hot Springs city	Riverside	3865	568	534	687	2076
Diamond Bar city	Los Angeles	2516	842	433	436	805
Downey city	Los Angeles	6510	2074	944	913	2579
Duarte city	Los Angeles	886	268	144	137	337
Eastvale City	Riverside	3022	1142	671	634	575
El Centro city	Imperial	3433	998	489	461	1485
El Monte city	Los Angeles	8481	1792	851	1230	4608
El Segundo city	Los Angeles	491	189	88	83	131
Fillmore city	Ventura	413	72	61	72	208
Fontana city	San Bernardino	17477	5096	2943	3029	6409
Fountain Valley city	Orange	4827	1304	784	832	1907

## ALLOCATION BY LOCAL JURISDICTION

	County	Total	Very-low income	Low income	Moderate income	Above- moderate income
Fullerton city	Orange	13180	3190	1985	2267	5738
Garden Grove city	Orange	19122	4155	2795	3204	8968
Gardena city	Los Angeles	5721	1481	759	892	2589
Glendale city	Los Angeles	13393	3430	2158	2244	5561
Glendora city	Los Angeles	2270	733	385	387	765
Grand Terrace city	San Bernardino	628	188	92	106	242
Hawaiian Gardens city	Los Angeles	331	61	44	46	180
Hawthorne city	Los Angeles	1731	444	204	249	834
Hemet city	Riverside	6450	810	730	1171	3739
Hermosa Beach city	Los Angeles	556	231	127	105	93
Hesperia city	San Bernardino	8135	1916	1228	1406	3585
Hidden Hills city	Los Angeles	40	17	8	9	6
Highland city	San Bernardino	2508	618	408	470	1012
Holtville city	Imperial	171	41	33	26	71
Huntington Beach city	Orange	13337	3652	2179	2303	5203
Huntington Park city	Los Angeles	1601	263	196	242	900
Imperial city	Imperial	1597	702	345	294	256
Indian Wells city	Riverside	382	117	81	91	93
Indio city	Riverside	7793	1788	1167	1312	3526
Industry city	Los Angeles	17	6	4	2	5
Inglewood city	Los Angeles	7422	1808	953	1110	3551
Irvine city	Orange	23554	6379	4225	4299	8651
Irwindale city	Los Angeles	118	36	11	16	55
Jurupa Valley City	Riverside	4485	1204	747	729	1805
La Cañada Flintridge city	Los Angeles	610	251	135	139	85
La Habra city	Orange	803	192	116	130	365
La Habra Heights city	Los Angeles	172	78	35	31	28
La Mirada city	Los Angeles	1957	633	341	319	664
La Palma city	Orange	800	223	140	137	300
La Puente city	Los Angeles	1924	542	275	274	833
La Quinta city	Riverside	1526	419	268	296	543
La Verne city	Los Angeles	1343	413	238	223	469
Laguna Beach city	Orange	393	117	80	79	117
Laguna Hills city	Orange	1980	566	353	353	708
Laguna Niguel city	Orange	1204	347	201	223	433
Laguna Woods city	Orange	993	126	135	191	541
Lake Elsinore city	Riverside	6666	1874	1097	1131	2564
Lake Forest city	Orange	3228	954	541	558	1175
Lakewood city	Los Angeles	3914	1293	636	652	1333
Lancaster city	Los Angeles	9002	2218	1192	1325	4267
Lawndale city	Los Angeles	2491	730	310	370	1081
Loma Linda city	San Bernardino	2048	522	311	352	863
Lomita city	Los Angeles	827	238	124	127	338
Long Beach city	Los Angeles	26440	7123	4038	4149	11130
Los Alamitos city	Orange	767	193	118	145	311
Los Angeles city	Los Angeles	455577	115680	68593	74936	196368
Lynwood city	Los Angeles	1555	376	139	235	805

SCAG 6TH CYCLE DRAFT RHNA ALLOCATION BASED ON RC-APPROVED FINAL RHNA METHODOLOGY

ALLOCATION BY LOCAL JURISDICTION

	County	Total	Very-low income	Low income	Moderate income	Above- moderate income
Malibu city	Los Angeles	78	27	19	17	15
Manhattan Beach city	Los Angeles	773	322	164	155	132
Maywood city	Los Angeles	363	54	47	55	207
Menifee city	Riverside	6594	1756	1049	1104	2685
Mission Viejo city	Orange	2211	672	400	396	743
Monrovia city	Los Angeles	1665	518	261	253	633
Montclair city	San Bernardino	2586	696	382	398	1110
Montebello city	Los Angeles	5174	1311	705	775	2383
Monterey Park city	Los Angeles	5245	1321	820	846	2258
Moorpark city	Ventura	1288	377	233	245	433
Moreno Valley city	Riverside	13596	3769	2047	2161	5619
Murrieta city	Riverside	3034	1006	581	543	904
Needles city	San Bernardino	87	10	11	16	50
Newport Beach city	Orange	4834	1453	928	1048	1405
Norco city	Riverside	454	145	85	82	142
Norwalk city	Los Angeles	5022	1542	757	657	2066
Ojai city	Ventura	53	13	9	10	21
Ontario city	San Bernardino	20805	5625	3279	3322	8579
Orange city	Orange	3927	1064	603	676	1584
Oxnard city	Ventura	8528	1835	1068	1535	4090
Palm Desert city	Riverside	2783	673	459	460	1191
Palm Springs city	Riverside	2552	544	407	461	1140
Palmdale city	Los Angeles	6625	1773	933	1002	2917
Palos Verdes Estates city	Los Angeles	198	82	44	47	25
Paramount city	Los Angeles	362	91	43	48	180
Pasadena city	Los Angeles	9408	2740	1659	1562	3447
Perris city	Riverside	7786	2025	1124	1271	3366
Pico Rivera city	Los Angeles	3939	1149	562	572	1656
Placentia city	Orange	4365	1228	679	769	1689
Pomona city	Los Angeles	10534	2792	1336	1507	4899
Port Hueneme city	Ventura	125	26	16	18	65
Rancho Cucamonga city	San Bernardino	10501	3237	1916	2033	3315
Rancho Mirage city	Riverside	1741	429	317	327	668
Rancho Palos Verdes city	Los Angeles	638	253	139	125	121
Rancho Santa Margarita city	Orange	680	209	120	125	226
Redlands city	San Bernardino	3507	964	614	650	1279
Redondo Beach city	Los Angeles	2483	933	507	489	554
Rialto city	San Bernardino	8252	2212	1203	1368	3469
Riverside city	Riverside	18415	4849	3057	3133	7376
Rolling Hills city	Los Angeles	45	20	9	11	5
Rolling Hills Estates city	Los Angeles	191	82	42	38	29
Rosemead city	Los Angeles	4601	1151	636	685	2129
San Bernardino city	San Bernardino	8104	1411	1095	1445	4153
San Buenaventura (Ventura) city	Ventura	5300	1184	863	948	2305
San Clemente city	Orange	978	281	163	187	347
San Dimas city	Los Angeles	1245	383	219	206	437
San Fernando city	Los Angeles	1791	460	273	283	775

## ALLOCATION BY LOCAL JURISDICTION

	County	Total	Very-low income	Low income	Moderate income	Above- moderate income
San Gabriel city	Los Angeles	3017	844	415	465	1293
San Jacinto city	Riverside	3385	798	464	559	1564
San Juan Capistrano city	Orange	1051	269	172	183	427
San Marino city	Los Angeles	397	149	91	91	66
Santa Ana city	Orange	3087	584	361	522	1620
Santa Clarita city	Los Angeles	10008	3389	1730	1668	3221
Santa Fe Springs city	Los Angeles	950	252	159	152	387
Santa Monica city	Los Angeles	8873	2787	1668	1698	2720
Santa Paula city	Ventura	656	102	99	121	334
Seal Beach city	Orange	1239	257	201	238	543
Sierra Madre city	Los Angeles	204	79	39	35	51
Signal Hill city	Los Angeles	516	160	78	90	188
Simi Valley city	Ventura	2786	747	492	517	1030
South El Monte city	Los Angeles	576	131	64	70	311
South Gate city	Los Angeles	8263	2131	991	1171	3970
South Pasadena city	Los Angeles	2062	755	397	333	577
Stanton city	Orange	1227	164	144	231	688
Temecula city	Riverside	4183	1355	799	777	1252
Temple City city	Los Angeles	2182	628	350	369	835
Thousand Oaks city	Ventura	2615	733	493	531	858
Torrance city	Los Angeles	4928	1617	845	851	1615
Tustin city	Orange	6765	1720	1043	1129	2873
Twentynine Palms city	San Bernardino	1044	230	127	184	503
Unincorporated Imperial Co.	Imperial	4292	1200	595	579	1918
Unincorporated Los Angeles Co.	Los Angeles	89842	25582	13661	14151	36448
Unincorporated Orange Co.	Orange	10381	3131	1862	2035	3353
Unincorporated Riverside Co.	Riverside	40768	10399	6648	7371	16350
Unincorporated San Bernardino Co.	San Bernardino	8813	2174	1357	1520	3762
Unincorporated Ventura Co.	Ventura	1259	318	225	249	467
Upland city	San Bernardino	5673	1580	957	1011	2125
Vernon city	Los Angeles	9	5	4	0	0
Victorville city	San Bernardino	8146	1731	1134	1500	3781
Villa Park city	Orange	296	93	60	61	82
Walnut city	Los Angeles	1292	426	225	231	410
West Covina city	Los Angeles	5334	1649	848	863	1974
West Hollywood city	Los Angeles	3924	1063	687	681	1493
Westlake Village city	Los Angeles	142	58	29	32	23
Westminster city	Orange	9737	1876	1470	1781	4610
Westmorland city	Imperial	33	8	6	4	15
Whittier city	Los Angeles	3431	1022	536	555	1318
Wildomar city	Riverside	2709	796	449	433	1031
Yorba Linda city	Orange	2411	763	450	457	741
Yucaipa city	San Bernardino	2859	706	492	509	1152
Yucca Valley town	San Bernardino	748	155	116	145	332



# LOS ANGELES CITY PLANNING COMMISSION

200 North Spring Street, Room 272, Los Angeles, California, 90012-4801, (213) 978-1300

[www.planning.lacity.org](http://www.planning.lacity.org)

## LETTER OF DETERMINATION

MAILING DATE: **JUN 08 2021**

Case No. **CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA**

CEQA: ENV-2018-3986-SCEA-REC1  
Plan Area: Wilshire

Council District: 13 – O'Farrell

**Project Site:** 514 – 550 South Shatto Place; 3119 West 6<sup>th</sup> Street

**Applicant:** TF Shatto Limited Partnership  
Representative: Timothy Moran, Irvine & Associates, Inc.

At its meeting of **April 22, 2021**, the Los Angeles City Planning Commission took the actions below in conjunction with the approval of the following project:

The proposed project involves 440,442 square feet of floor area consisting of a 40-story, mixed-use high rise with a maximum height of 483 feet and the conversion of an existing 19,972 square-foot church building into restaurant uses. The Project would demolish all other existing buildings onsite. The high-rise would contain 367 residential dwelling units, including 11 percent of the total number of dwelling units as affordable housing (Six percent Very Low Income and five percent Extremely Low Income) for a total of 42 affordable dwelling units. Total commercial square footage, inclusive of the re-purposed church building, would consist of 36,400 square feet of office and restaurant floor area. All restaurants seeking to utilize the requested Master Conditional Use Permit would have maximum hours of operation from 11:00 a.m. to 2:00 a.m., daily. The Project proposes up to 470 automobile parking spaces in four levels of subterranean parking, 175 long-term bicycle parking spaces, 25 short-term bicycle parking spaces, and 33,169 square feet of credited open space.

1. **Found**, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the Project was assessed in Sustainable Communities Environmental Assessment ("SCEA") ENV-2018-3986-SCEA, adopted on August 14, 2019; and pursuant to CEQA Guidelines 15162 and 15164, and Public Resources Code Section 21155.2, as supported by the addendum dated February 2021, no major revisions are required to the SCEA; and no subsequent SCEA is required for approval of the Project;
2. **Approved and recommended** that the Mayor and the City Council **adopt**, pursuant to Charter Section 555 and Section 11.5.6 of the Los Angeles Municipal Code (LAMC), a General Plan Amendment change in the land use designation of the project site from Community Commercial to Regional Commercial;
3. **Approved and recommended** that the City Council **adopt**, pursuant to Charter Section 558 and LAMC Sections 12.32 F and 12.32 Q a Vesting Zone Change and Height District Change from CR-1 and C2-1 to (T)(Q)C2-2D, along with the three requested developer incentives:
  - a. Reduction in the required amount of Open Space by 25 percent;
  - b. Reduction in the amount of required Residential Parking to zero; and
  - c. Reduction of required drive aisle width to 24 feet;
4. **Approved**, pursuant to LAMC Section 12.24 W.1, a Main Conditional Use Permit for the sale of a full line of alcoholic beverages for on-site consumption within ten premises;
5. **Denied**, pursuant to LAMC Section 12.24 W.24, a Conditional Use Permit to permit a TORS containing 90 units within the Project consisting of all 54 co-living units and 36 standard

apartment units on the three levels above the co-living units for short-term or long-term occupancy;

6. **Approved**, pursuant to LAMC Section 16.05, a Site Plan Review for the creation of more than 50 dwelling units;
7. **Adopted** the attached Modified Conditions of Approval; and
8. **Adopted** the attached Amended Findings.

The vote proceeded as follows:

Moved: Perlman  
 Second: Mack  
 Ayes: Hornstock, Leung, Millman  
 Nays: López-Ledesma, Choe

**Vote: 5 – 2**

\_\_\_\_\_  
 Cecilia Lamas, Commission Executive Assistant  
 Los Angeles City Planning Commission

Fiscal Impact Statement: There is no General Fund impact as administrative costs are recovered through fees.

**Effective Date/Appeals:** The decision of the Los Angeles City Planning Commission as it relates to the Zone and Height District Change is appealable by the Applicant only, if disapproved in whole or in part by the Commission. The decision of the Los Angeles City Planning Commission, regarding the remaining approvals, is appealable to the Los Angeles City Council within 20 days after the mailing date of this determination letter. Any appeal not filed within the 20-day period shall not be considered by the Council. All appeals shall be filed on forms provided at the Planning Department's Development Service Centers located at: 201 North Figueroa Street, Fourth Floor, Los Angeles; 6262 Van Nuys Boulevard, Suite 251, Van Nuys; or 1828 Sawtelle Boulevard, West Los Angeles.

**FINAL APPEAL DATE: JUN 28 2021**

Notice: An appeal of the CEQA clearance for the Project pursuant to Public Resources Code Section 21151(c) is only available if the Determination of the non-elected decision-making body (e.g., ZA, AA, APC, CPC) **is not further appealable** and the decision is final.

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.

Attachments: Zone Change Ordinance, Map, Modified Conditions of Approval, Amended Findings, Resolution, Interim Appeal Filing Procedures

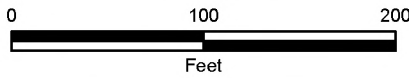
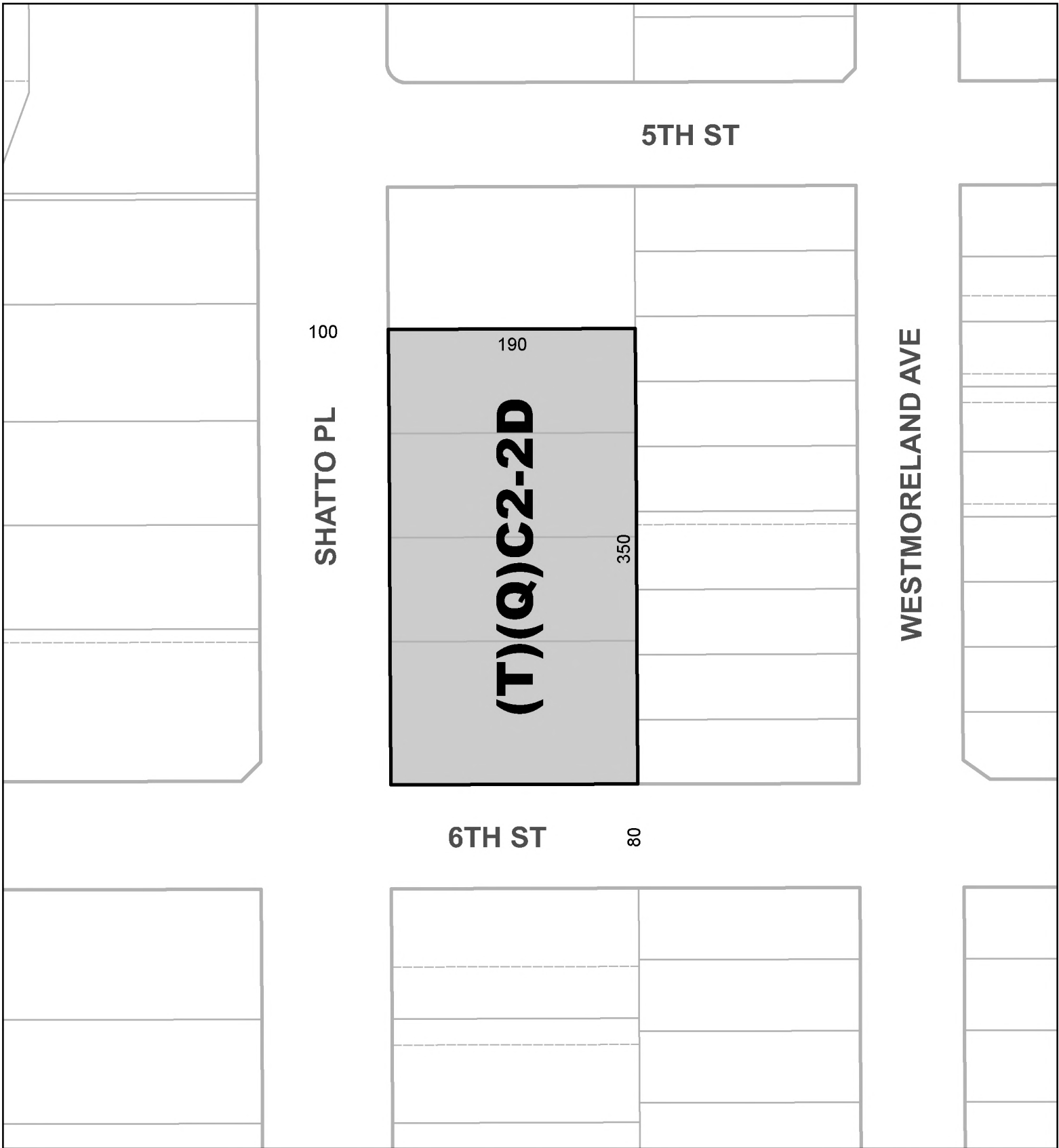
c: Heather Bleemers, Senior City Planner  
 Oliver Netburn, City Planner

ORDINANCE NO. \_\_\_\_\_

An ordinance amending Section 12.04 of the Los Angeles Municipal Code by amending the zoning map.

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. Section 12.04 of the Los Angeles Municipal Code is hereby amended by changing the zone and zone boundaries shown upon a portion of the zone map attached thereto and made a part of Article 2, Chapter 1 of the Los Angeles Municipal Code, so that such portion of the zoning map shall be as follows:



CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA

AA/Cf

051421

City of Los Angeles



## (Q) QUALIFIED CLASSIFICATIONS

Pursuant to Section 12.32-G of the Municipal Code, the following limitations are hereby imposed upon the use of the subject property, subject to the "Q" Qualified classification:

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. **Residential Density.** The project shall be limited to a maximum density of 367 dwelling units.
3. **On-site Restricted Affordable Units.** Prior to issuance of a building permit, the owner shall execute a covenant to the satisfaction of HCIDLA to make no less than 5% of the total units at rents affordable to Extremely Low Income households, and either 6% of the total units at rents affordable to Very Low Income households or 15% of the total units at rents affordable to Lower Income households, as defined by HCIDLA and as determined to be affordable to such households by HCIDLA for a period of 55 years. In the event, the applicant reduces the proposed density of the project or include for-sale units, the number of required reserved On-site Restricted Units may be adjusted, consistent with LAMC Section 11.5.11, to the satisfaction of HCIDLA. Enforcement of the terms of said covenant shall be the responsibility of HCIDLA. The applicant shall provide a copy of the recorded covenant to the Department of City Planning for inclusion in this file. On-site restricted affordable units shall be provided in accordance with LAMC Section 11.5.11, to the satisfaction of HCIDLA, and with any monitoring requirements established by HCIDLA.
4. **Developer Incentives.** The project shall be permitted the following:
  - a. Reduction in the required amount of Open Space by 25%;
  - b. Reduction in the amount of required Residential Parking to 0; and
  - c. Reduction of required drive aisle width to 24 feet.
5. **Parking.**
  - a. **Automobile Parking.** Automobile parking shall be provided consistent with LAMC Section 12.21-A,4, except as otherwise permitted herein.
  - b. **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 HCIDLA.
  - c. **Bicycle Parking.** Bicycle parking shall be provided consistent with LAMC Section 12.21-A,16.

## **“D” DEVELOPMENT LIMITATIONS**

Pursuant to Section 12.32-G of the Municipal Code, the following limitations are hereby imposed upon the use of the subject property, subject to the “D” Development Limitations.

1. **Floor Area.** The total floor area permitted on the subject property shall not exceed a Floor Area Ratio of 6:1.
2. **Height.** The project shall be limited to 41 stories.

## **CONDITIONS FOR EFFECTUATING (T) TENTATIVE CLASSIFICATION REMOVAL**

Pursuant to Section 12.32-G of the Municipal Code, the (T) Tentative Classification shall be removed by posting of guarantees through the B-permit process of the City Engineer to secure the following without expense to the City of Los Angeles, with copies of any approval or guarantees provided to the Department of City Planning for attachment to the subject planning case file.

Dedication(s) and Improvement(s). Prior to the issuance of any building permits, the following public improvements and dedications for streets and other rights of way adjoining the subject property shall be guaranteed to the satisfaction of the Bureau of Engineering, Department of Transportation, Fire Department (and other responsible City, regional and federal government agencies, as may be necessary):

### Responsibilities/Guarantees.

1. As part of early consultation, plan review, and/or project permit review, the applicant/developer shall contact the responsible agencies to ensure that any necessary dedications and improvements are specifically acknowledged by the applicant/developer.
2. Bureau of Engineering. Prior to issuance of sign offs for final site plan approval and/or project permits by the Department of City Planning, the applicant/developer shall provide written verification to the Department of City Planning from the responsible agency acknowledging the agency's consultation with the applicant/developer. The required dedications and improvements may necessitate redesign of the project. Any changes to project design required by a public agency shall be documented in writing and submitted for review by the Department of City Planning.
  - a. The applicant/developer shall record the final map of Vesting Tentative Tract No. VTT 83213 or shall provide the necessary dedications and public improvements required under VTT-83213.
3. **Department of Recreation and Parks.** Prior to the issuance of building permit, a dedication of land shall be made or assured or a payment in lieu thereof made or guaranteed to the satisfaction of the Department of Recreation and Parks, as required pursuant to LAMC Section 12.33.
4. **Fire Department.** Prior to the issuance of building permit, a plot plan shall be submitted to the Fire Department for approval.
5. **Urban Forestry Division.**
  - a. Plant street trees and remove any existing trees within dedicated streets or proposed dedicated streets as required by the Urban Forestry Division of the Bureau of Street Services. Parkway tree removals shall be replanted at a 2:1 ratio. All street trees plantings shall be brought up to current standards. When the City has previously been paid for tree plantings, the subdivider or contractor shall notify the Urban Forestry Division (213-847-3077) upon completion of construction to expedite tree planting.

## **CONDITIONS OF APPROVAL**

(As modified by the City Planning Commission at its meeting on April 22, 2021)

Pursuant to Sections 12.24-W,1, and 16.05 of the Los Angeles Municipal Code, the following conditions are hereby imposed upon the use of the subject property:

1. All other use, height and area regulations of the Municipal Code and all other applicable government/regulatory agencies shall be strictly complied with in the development and use of the property, except as such regulations are herein specifically varied or required.
2. The use and development of the property shall be in substantial conformance with the plot plan and floor plan submitted with the application and marked Exhibit "A", except as may be revised as a result of this action.
3. The authorized use shall be conducted at all times with due regard for the character of the surrounding district, and the right is reserved to the Zoning Administrator to impose additional corrective Conditions, if, in the Administrator's opinion, such Conditions are proven necessary for the protection of persons in the neighborhood or occupants of adjacent property.
4. A copy of the first page of this grant and all Conditions and/or any subsequent appeal of this grant and its resultant Conditions and/or letters of clarification shall be printed on the building plans submitted to the Department of City Planning ("DEPARTMENT OF CITY PLANNING") and the Department of Building and Safety for purposes of having a building permit issued at any time during the term of this grant.
5. 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.

### **MAIN CONDITIONAL USE CONDITIONS**

6. Authorized herein is a Main Conditional Use Permit for the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with a maximum of 10 bona-fide restaurants as depicted on approved Exhibit 'A' subject to the following limitations:
  - a. The maximum combined floor area authorized for on-site sales of alcoholic beverages shall not exceed 36,400 square feet. Outdoor patios shall be located on private property and patios directly adjoining the public right-of-way shall be equipped with a defined barrier separating the outdoor dining area from any abutting sidewalk. The barrier will be of such height, design and materials to preclude passersby from obtaining any beverage or food from restaurant tables and/or patrons.
  - b. Any portion of an outdoor patio that encroaches into the public right-of-way shall be subject to the issuance of a revocable permit by the Bureau of Engineering.
  - c. The hours of operation for all tenant spaces authorized for the sale of alcoholic beverages for on-site shall be limited to 11:00 a.m. to 2:00 a.m., daily.

- d. No after-hour use is permitted, except routine clean-up. This includes but is not limited to private or promotional events, special events, excluding any activities which are issued film permits by the City.
7. **Main Plan Approval (MPA) Requirement.** Each individual venue shall be subject to a Main Plan Approval (MPA) determination pursuant to Section 12.24-M of the Los Angeles Municipal Code in order to implement and utilize the Main Conditional Use authorization granted. The purpose of the Main Plan Approval determination is to review each proposed venue in greater detail and to tailor site-specific conditions of approval for each off the premises including but not limited to hours of operation, seating capacity, size, security, live entertainment, the length of a term grant and/or any requirement for a subsequent MPA application to evaluate compliance and effectiveness of the conditions of approval. Unless otherwise stipulated by the conditions of this grant, the Zoning Administrator may impose more restrictive or less restrictive conditions on each individual tenant at the time of review of each Plan Approval application. A public hearing for any Main Plan Approval (MPA) request may be waived at the discretion of the Chief Zoning Administrator.
8. Notwithstanding approved Exhibit A, this grant recognizes that there may be changes resulting from identified tenants, which may result in smaller or larger venues than those identified in Exhibit A, different locations, and/or in a reduced number of venues than those originally proposed. Such outcome is permitted provided that the other conditions noted herein, specifically those related to the combined maximum interior and patio floor areas, maximum interior and patio seating, maximum number of venues approved are not exceeded. Also, beer and wine sales may be provided in lieu of a full line of alcoholic beverages at any of the venues approved for a full line of alcoholic beverages.
9. The premises authorized for the on-site sale of alcoholic beverages shall be maintained as bona fide sit-down restaurants with a kitchen to be used for cooking and preparing of food as defined by Section 91.0403 of the Los Angeles Municipal Code, and shall provide a menu containing an assortment of foods normally offered in such restaurants. Food service shall be available at all times during operating hours. Any take-out service is only incidental to the primary sit-down use.
10. Parking shall be provided in compliance with the Municipal Code and to the satisfaction of the Department of Building and Safety, unless otherwise granted herein.
11. The applicant shall be responsible for maintaining free of litter the area adjacent to the premises over which they have control, including the sidewalk in front of the establishment.
12. All graffiti on the site shall be removed or painted over to match the color of the surface to which it is applied within 24 hours of its occurrence.
13. Loitering is prohibited on or around these premises or the area under the control of the applicant. "No Loitering or Public Drinking" signs shall be posted in and outside of the subject facility.
14. Coin operated game machines, pool tables or similar game activities or equipment shall not be permitted. Official California State lottery games and machines are allowed.
15. **Private Events.** Any use of the restaurants for private events, including corporate events, birthday parties, anniversary parties, weddings or other private events which are not open to the general public, shall be subject to all the same provisions and hours of operation stated herein.

16. The applicant shall be responsible for monitoring both patron and employee conduct on the premises and within the parking areas under his/her control to assure such conduct does not adversely affect or detract from the quality of life for adjoining residents, property owners, and businesses.
17. **Complaint Log.** A telephone number and email address shall be provided for complaints or concerns from the community regarding the operation. The phone number and email address shall be posted at the following locations:
  - a. Entry, visible to pedestrians.
  - b. Customer service desk, front desk or near the cash registers.

Complaints shall be responded to within 24-hours. The applicant shall maintain a log of all calls and emails, detailing: (1) date complaint received; (2) nature of complaint, and (3) the manner in which the complaint was resolved.
18. A camera surveillance system shall be installed and operating at all times to monitor the interior, entrance, exits and exterior areas, in front of and around the premises. Recordings shall be maintained for a minimum period of 30 days and are intended for use by the Los Angeles Police Department.
19. At least one on-duty manager with authority over the activities within the facility shall be on the premises during business hours. The on-duty manager's responsibilities shall include the monitoring of the premises to ensure compliance with all applicable State laws, Municipal Code requirements and the conditions imposed by the Department of Alcoholic Beverage Control (ABC) and the conditional use herein. Every effort shall be undertaken in managing the subject premises and the facility to discourage illegal and criminal activities and any exterior area over which the building owner exercises control, in effort to ensure that no activities associated with such problems as narcotics sales, use or possession, gambling, prostitution, loitering, theft, vandalism and truancy occur.
20. **STAR/LEAD/RBS Training.** Within the first six months of operation, all employees involved with the sale of alcohol shall enroll in the Los Angeles Police Department "Standardized Training for Alcohol Retailers" (STAR) or Department of Alcoholic Beverage Control "Licensee Education on Alcohol and Drugs" (LEAD) training program or the Responsible Beverage Service (RBS) Training Program. Upon completion of such training, the applicant shall request the Police Department or Department of Alcohol Beverage Control to issue a letter identifying which employees completed the training. STAR or LEAD or RBS training shall be conducted for all new hires within three months of their employment.
21. An electronic age verification device shall be purchased and retained on the premises to determine the age of any individual and shall be installed on at each point-of-sales location. This device shall be maintained in operational condition and all employees shall be instructed in its use.
22. There shall be no Adult Entertainment of any type pursuant to LAMC Section 12.70.
23. No conditional use for dancing has been requested or approved herein. Dancing is prohibited.
24. Any music, sound or noise which is under control of the applicant shall not violate Sections 112.06 or 116.01 of the Los Angeles Municipal Code (Citywide Noise Ordinance). At any time, a City representative may visit the site during operating hours to measure the noise levels. If, upon inspection, it is found that the noise level exceeds those allowed by the citywide noise

regulation, the owner/operator will be notified and will be required to modify or eliminate the source of the noise or retain an acoustical engineer to recommend, design and implement noise control measures within property such as, noise barriers, sound absorbers or buffer zones.

25. Entertainment in conjunction with each restaurant is limited to background ambient music to complement the dining experience. Independent, professional or amateur disc jockeys are not allowed. Live entertainment limited to acoustical instruments and to a maximum of four musicians may be requested and considered by individual Main Plan Approval applications within the interior of the premises only.
26. There shall be no live entertainment, or amplified sound system in the outdoor areas except for downward or inward facing speakers playing background music. This restriction to apply to all individual tenants and shall be included in any subsequent Plan Approval applications.
27. All exterior portions of the site shall be adequately illuminated in the evening so as to make discernible the faces and clothing of persons utilizing the space. Lighting shall be directed onto the site and no floodlighting shall be located so as to be seen directly by person on adjacent premises.
28. The applicant shall comply with 6404.5(b) of the Labor Code, which prohibits smoking within any place of employment. The applicant shall not possess ashtrays or other receptacles used for the purpose of collecting trash or cigarettes/cigar butts within the interior of the subject establishment.
29. No smoking of tobacco products including cigarettes, cigars, hookah or water pipes either inside the location or on any outdoor patios is permitted.
30. There shall be no deliveries conducted after 9:00 p.m. or before 7:00 a.m. daily.

#### **SITE PLAN REVIEW CONDITIONS**

31. **Driveways.** The two (2) driveways along Shatto Place shall be reduced to the minimum required widths in conformance with LAMC Section 12.21-A,5(f), unless otherwise required by the Department of Transportation.
32. **Landscaping.** All open areas not used for buildings, driveways, parking areas, recreational facilities or walks shall be attractively landscaped, including an automatic irrigation system, and maintained in accordance with a landscape plan prepared by a licensed landscape architect or licensed architect, and submitted for approval to the Department of City Planning.
33. **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.
34. **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.
35. **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.

36. **Electric Vehicle Parking.** All electric vehicle charging spaces (EV Spaces) and electric vehicle charging stations (EVCS) shall comply with the regulations outlined in Sections 99.04.106 and 99.05.106 of Article 9, Chapter IX of the LAMC.
37. **Solar Panels.** Solar panels shall be installed on the project's rooftop space to be connected to the building's electrical or water heating system. A minimum 15% of the total new roof area shall be reserved for the installation of solar panels or a solar photovoltaic system, to be installed prior to the issuance of a certificate of occupancy, in substantial conformance with the plans stamped "Exhibit A".

### **SUSTAINABLE COMMUNITY ENVIRONMENTAL ASSESSMENT CONDITIONS**

#### **38. Project Design Features.**

- a. Outdoor lighting related to the Modified Project shall be designed and installed with shielding from adjacent residential properties, the public right-of-way, and from above.
- b. Construction equipment operating at the Project Site shall be subject to a number of requirements. These requirements shall be included in applicable bid documents and successful contractor(s) must demonstrate the ability to supply such equipment. Construction measures would include, but are not limited to the following:
  - Prior to the issuance of a grading or building permit for each phase, an inventory of off-road heavy-duty construction equipment for that phase of construction, equal to or greater than 50 horsepower that will be used an aggregate of 40 or more hours, shall be provided to the Department of Building and Safety and the Department of City Planning. The inventory shall include the horsepower rating, engine production year, and certification of the specified Tier standard. A copy of each unit's certified tier specification or model year specification and California Air Resources Board or South Coast Air Quality Management District operating permit (if applicable) shall be available upon request at the time of mobilization of each applicable unit of equipment.
  - Off-road diesel-powered equipment within the construction inventory shall meet the Tier 4 final off-road emissions standards within the Los Angeles region. Such equipment shall be outfitted with Best Available Control Technology (BACT) devices including a California Air Resources Board certified Level 3 Diesel Particulate Filter or equivalent;
  - All cranes and welders shall be electric-powered;
  - Forklifts shall be natural gas-powered;
  - The Project shall utilize low-VOC coatings where commercially available during construction activities to avoid excessive VOC emissions; and
  - Trucks and other vehicles in loading and unloading queues shall be parked with engines off to reduce vehicle emissions during construction activities.
- c. The Project will not include fireplaces, except within up to 30 dwelling units.
- d. To ensure the retention and appropriate treatment and rehabilitation of all the identified character-defining features of the former church building, that would be retained as part of the Modified Project, a preservation architect or preservation professional would be

retained to monitor the appropriate treatment and rehabilitation of the former church building during construction.

e. Greenhouse Gas Emissions.

- The Project shall use energy efficient appliances;
- The Project shall use low-flow plumbing fixtures;
- The Project shall install 175 long-term and 25 short term bicycle parking spaces;
- The Project shall utilize drought-tolerant plants in its landscaping;
- The Project shall install pre-wiring for EV charging spaces for 30 percent of its parking capacity for future use and;
- Of the 30 percent EV parking spaces, 10 percent of the Project's parking capacity will include installed chargers for immediate use by electric vehicles (EV).

f. In lieu of a dewatering and vent piping system, to attenuate methane risks, the Modified Project shall include design components, such as sloping to the bottom of the mat slab one percent and an active methane detection system tied into the mechanical system. These features, along with a waterproofing/methane membrane, would allow potential methane and vapor to move outside the building limits and eliminate any methane impact. The structural mat slab and subterranean walls would be designed hydrostatically. As part of the alternative design components, LADBS would be consulted as part of the design process of the Modified Project to ensure risks associated with methane would be minimized.

g. The Project shall limit construction and demolition to the hours of 7:00 a.m. to 7:00 p.m. Monday through Friday, and 8:00 a.m. to 6:00 p.m. on Saturdays or holidays (City observed).

h. The Project will not require or allow the use of impact pile drivers.

i. The Project will not allow any delivery truck idling for more than 5 consecutive minutes in the loading area pursuant to State regulation (Title 13 California Code of Regulations, Section 2485). Signs will be posted in delivery loading areas specifying this idling restriction.

j. The Project will not require or allow operation of any amplified sound system in the outdoor areas except for downward or inward facing speakers playing background music that will be confined to the outside ground-level dining patio areas in the central plaza and along West 6<sup>th</sup> Street and the amenity decks on levels 3 and 40.

k. The service entryway along 6<sup>th</sup> Street would be limited to right-turn in/out access.

**39. Project Specific Mitigation Measures.**

l. Prior to the issuance of any permit, a plot plan shall be prepared indicating the location, size, type, and general condition of all existing trees on the site and within the adjacent public right(s)-of-way.

- m. Removal or planting of any tree in the public right-of-way requires approval of the Board of Public Works. Contact Urban Forestry Division at 213-847-3077. All trees in the public right-of-way shall be provided at a 2 to 1 ratio per the standards of the Urban Forestry Division, Bureau of Street Services, Department of Public Works.
- n. The Project will result in the removal of vegetation and disturbances to the ground and therefore may result in take of nesting native bird species. Migratory nongame native bird species are protected by international treaty under the Federal Migratory Bird Treaty Act (MBTA) of 1918 (50 C.F.R Section 10.13). Sections 3503, 3503.5 and 3513 of the California Fish and Game Code prohibit take of all birds and their active nests including raptors and other migratory nongame birds (as listed under the Federal MBTA).
- Proposed Project activities (including disturbances to native and non-native vegetation, structures and substrates) should take place outside of the breeding bird season which generally runs from March 1- August 31 (as early as February 1 for raptors) to avoid take (including disturbances which would cause abandonment of active nests containing eggs and/or young). Take means to hunt, pursue, catch, capture, or kill, or attempt to hunt, pursue, catch, capture or kill (Fish and Game Code Section 86).
  - If Project activities cannot feasibly avoid the breeding bird season, beginning thirty days prior to the disturbance of suitable nesting habitat, the applicant shall:
    - Arrange for weekly bird surveys to detect any protected native birds in the habitat to be removed and any other such habitat within properties adjacent to the project site, as access to adjacent areas allows. The surveys shall be conducted by a qualified biologist with experience in conducting breeding bird surveys. The surveys shall continue on a weekly basis with the last survey being conducted no more than 3 days prior to the initiation of clearance/construction work.
    - If a protected native bird is found, the Applicant shall delay all clearance/construction disturbance activities within 300 feet of suitable nesting habitat for the observed protected bird species until August 31.
    - Alternatively, the Qualified Biologist could continue the surveys in order to locate any nests. If an active nest is located, clearing and construction within 300 feet of the nest or as determined by a qualified biological monitor, shall be postponed until the nest is vacated and juveniles have fledged and when there is no evidence of a second attempt at nesting. The buffer zone from the nest shall be established in the field with flagging and stakes. Construction personnel shall be instructed on the sensitivity of the area.
    - The Applicant shall record the results of the recommended protective measures described above to document compliance with applicable State and Federal laws pertaining to the protection of native birds. Such record shall be submitted and received into the case file for the associated discretionary action permitting the project.
- o. Prior to the issuance of a demolition permit, the Applicant shall retain a qualified Archaeologist who meets the Secretary of the Interior's Professional Qualifications Standards (qualified Archaeologist) to oversee an archaeological monitor who shall be present during construction activities on the Project Site such as demolition, clearing/grubbing, grading, trenching, or any other construction excavation activity associated with the Project. The activities to be monitored shall also include off-site improvements in the vicinity of the Project Site that involve ground disturbance, such as utility, sidewalk, or road improvements which would encounter soils that could potentially contain archaeological resources down to a depth of 5-feet. The monitor shall have the

authority to direct the pace of construction equipment in areas of higher sensitivity. The frequency of monitoring shall be based on the rate of excavation and grading activities, the materials being excavated (younger sediments vs. older sediments), and the depth of excavation, and if found, the abundance and type of archaeological resources encountered. Full-time monitoring may be reduced to part-time inspections, or ceased entirely, if determined adequate by the qualified Archaeologist. Prior to commencement of excavation activities, an Archaeological Sensitivity Training shall be given for construction personnel. The training session, shall be carried out by the qualified Archaeologist, will focus on how to identify archaeological resources that may be encountered during earthmoving activities, and the procedures to be followed in such an event.

- p. In the event that historic (e.g., bottles, foundations, refuse dumps/privies, railroads, etc.) or prehistoric (e.g., hearths, burials, stone tools, shell and faunal bone remains, etc.) archaeological resources are unearthed, ground-disturbing activities shall be halted or diverted away from the vicinity of the find so that the find can be evaluated. A 25-foot buffer shall be established by the qualified Archaeologist around the find where construction activities shall not be allowed to continue. Work shall be allowed to continue outside of the buffer area. All archaeological resources unearthed by Project construction activities shall be evaluated by the qualified Archaeologist. If a resource is determined by the qualified Archaeologist to constitute a “historical resource” pursuant to State CEQA Guidelines Section 15064.5(a) or a “unique archaeological resource” pursuant to PRC Section 21083.2(g), the qualified Archaeologist shall coordinate with the Applicant and the City to develop a formal treatment plan that would serve to reduce impacts to the resources. If any prehistoric archaeological sites are encountered within the project area, consultation with interested Native American parties will be conducted to apprise them of any such findings and solicit any comments they may have regarding appropriate treatment and disposition of the resources. The treatment plan established for the resources shall be in accordance with State CEQA Guidelines Section 15064.5(f) for historical resources and PRC Sections 21083.2(b) for unique archaeological resources. Preservation in place (i.e., avoidance) is the preferred manner of treatment under CEQA. If in coordination with the City, it is determined that preservation in place is not feasible, appropriate treatment of the resource shall be developed by the qualified Archaeologist in coordination with the City and may include implementation of archaeological data recovery excavations to remove the resource along with subsequent laboratory processing and analysis. Any archaeological material collected shall be curated at a public, non-profit institution with a research interest in the materials, if such an institution agrees to accept the material. If no institution accepts the archaeological material, they shall be donated to a local school or historical society in the area for educational purposes.
- q. Prior to the release of the grading bond, the qualified Archaeologist shall prepare a final report and appropriate California Department of Parks and Recreation Site Forms at the conclusion of archaeological monitoring. The report shall include a description of resources unearthed, if any, treatment of the resources, results of the artifact processing, analysis, and research, and evaluation of the resources with respect to the California Register of Historical Resources and CEQA. The report and the Site Forms shall be submitted by the Project Applicant to the City, the South Central Coastal Information Center, and representatives of other appropriate or concerned agencies to signify the satisfactory completion of the development and required mitigation measures.
- r. *Retention of a Qualified Paleontologist.* A qualified paleontologist meeting the Society of Vertebrate Paleontology (SVP) Standards (SVP, 2010) (Qualified Paleontologist) shall be retained prior to the approval of demolition or grading permits. The Qualified Paleontologist shall provide technical and compliance oversight of excavation and grading during construction, recovery of fossil materials, and reporting as related to paleontological resources, shall attend the Project kick-off meeting and Project progress meetings on a

regular basis, and shall report to the site in the event potential paleontological resources are encountered.

*Construction Worker Paleontological Resources Sensitivity Training.* The Qualified Paleontologist shall conduct construction worker paleontological resources sensitivity training prior to the start of ground disturbing activities (including vegetation removal, pavement removal, etc.). In the event construction crews are phased, additional trainings shall be conducted for new construction personnel. The training session shall focus on the recognition of the types of paleontological resources likely to be encountered within the Project Site and the procedures to be followed if they are found.

*Paleontological Resources Monitoring and Plan.* Prepare a Paleontological Resource Management Plan (PRMP) to guide the salvage, documentation and repository of representative samples of unique paleontological resources encountered during construction. If unique paleontological resources are encountered during excavation or blasting, use the qualified paleontologist to oversee the implementation of the PRMP. Full-time paleontological resources monitoring shall be conducted for all ground-disturbing activities that exceed 5 feet in depth. Full-time monitoring can be reduced to part-time inspections or ceased entirely if determined adequate by the Qualified Paleontologist. Paleontological resources monitoring shall be performed by a qualified paleontological monitor (meeting the standards of the SVP) under the direction of the Qualified Paleontologist. Monitors shall have the authority to temporarily halt or divert work away from exposed fossils in order to recover the fossil specimens. Any significant fossils collected during Project-related excavations shall be prepared to the point of identification and curated into an accredited repository with retrievable storage. Monitors shall prepare daily logs detailing the types of activities and soils observed, and any discoveries. The Qualified Paleontologist shall prepare a final monitoring and mitigation report to document the results of the monitoring effort.

If construction or other Project personnel discover any potential fossils during construction, regardless of the depth of work or location, work at the discovery location shall cease in a 25-foot radius of the discovery until the Qualified Paleontologist has assessed the discovery and made recommendations as to the appropriate treatment. If the find is deemed significant, it shall be salvaged following the standards of the SVP (SVP, 2010) and curated with a certified repository.

- s. A Site Specific Soil Mitigation Plan (SMP) will be prepared that will provide guidance to contractors for appropriate handling, screening, and management of potentially impacted or impacted soils that may be encountered at the Project Site during grading and excavation activities. These procedures will include training for construction personnel on the appropriate procedures for identification of suspected impacted soils; requirements for testing and collection of potentially contaminated soils; segregation of potentially impacted soils; and applicable soil handling and disposal procedures.

The SMP will also include procedures for handling and transportation of soils with respect to nearby sensitive receptors, such as nearby residential uses and schools. In accordance with SCAQMD Rule 1166 requirements, impacted soil removed from the Project Site must comply with the following:

- Be transported to an approved treatment/disposal facility.
- When loading into trucks is completed, and during transportation, no excavated material will extend above the sides or rear of the truck or trailer.

- Prior to covering/tarping, loaded impacted soil must be wetted by spraying with dust inhibitors.
  - The trucks or trailers must be completely covered/tarped prior to leaving the Project Site to prevent particulate emissions to the atmosphere.
  - The exterior of the trucks (including the tires) must be cleaned off prior to the trucks leaving the excavation location and leaving the disposal site before returning to the Project Site.
- t. A Groundwater Management Plan (GWMP) will be prepared that includes training and protocol procedures to contractors for avoiding contact with groundwater during excavation and construction of the Project and appropriate disposal protocols of contaminated groundwater. The GWMP will include a requirement for development and implementation of a safety plan to be prepared prior to commencement of construction consistent with Occupational Safety and Health Administration (OSHA) Safety and Health Standards 29 CFR 1910.120 as well as management of groundwater produced through temporary dewatering activities. The safety plan will include necessary training, operating and emergency response procedures, and reporting requirements to regulate all activities that bring workers in contact with potentially contaminated groundwater. In the unlikely event that groundwater contamination occurs, the GWMP will include remedial efforts that may include batch extraction of groundwater using an on-site dewatering system or application of a chemical amendment, such as oxygen or hydrogen source depending on the type of contamination impact. Groundwater attenuation features may include the following: waterproofing the entire subgrade area; use of waterproofing that is compatible with constituents of concern; and sealing of electrical conduits, piping, etc. to close off preferential pathways.
- u. All concrete cuts and utility penetrations into the building pad(s) or concrete slab(s) that underlie the former church building that may occur during the remodeling/repurposing of the existing school building will be sealed via a vapor-barrier type wrap to add an additional measure of protection against potential vapor intrusion. An environmental professional would be on-site to monitor the sealing process. A pathway assessment/visual monitoring of the sealing of penetration shall be conducted after construction.
- v. The Project shall implement construction noise reduction strategies to reduce noise levels from construction affecting the noise-sensitive residential receptors located to the east of the Project Site, with a performance standard of achieving a construction noise level of less than 66 dBA  $L_{eq}$  at the noise-sensitive residential receptors adjacent to the east of the Project Site and the university and church use directly to the north of the Project Site. The noise reduction strategies shall include one or a combination of the following to achieve the performance standard.
- Use construction equipment, fixed or mobile, that individually generates less noise than presumed in the Federal Highway Administration (FHWA) Roadway Construction Noise Model (RCNM). Examples of such equipment are medium, compact, small, or mini model versions of backhoes, cranes, excavators, loaders, or tractors; or newer model equipment; or other applicable equipment that are equipped with reduced noise-generating engines. Construction equipment noise levels shall be documented based on manufacturer's specifications. The construction contractor shall keep construction equipment noise level documentation on-site for the duration of Project construction.

- Noise-generating equipment operated at the Project Site shall be equipped with California industry standard noise control devices to effectively reduce noise levels, i.e., mufflers, lagging, and/or motor enclosures. All equipment shall be properly maintained to assure that no additional noise, due to worn or improperly maintained parts, would be generated. The reduction in noise level from noise shielding and muffling devices shall be documented based on manufacturer's specifications. The construction contractor shall keep noise shielding and muffling device documentation on-site and documentation demonstrating that the equipment has been maintained in accordance with the manufacturers' specifications on-site for the duration of Project construction.
- Construction and demolition activities shall be scheduled so as to minimize or avoid operating multiple heavy pieces of equipment such as a large dozer, concrete saw, and excavator, simultaneously at the perimeter of the Project Site along the eastern boundary of the Project Site.
- The Project shall provide temporary minimum 8-foot-tall construction noise barriers along property lines facing adjacent off-site residential buildings to the east and northeast and off-site university and church use adjacent to the north. The temporary barriers shall at a minimum remain in place during early Project construction phases (up to the start of framing) when the use of heavy equipment is prevalent. Standard construction protective fencing with green screen or pedestrian barricades for protective walkways shall be installed along property lines facing streets or commercial buildings. All temporary barriers, fences, and walls shall have gate access as needed for construction activities, deliveries, and site access by construction personnel. The Applicant shall ensure through appropriate postings and frequent visual inspections that no unauthorized materials are posted on any temporary construction barriers or temporary pedestrian walkways that are accessible/visible to the public, and that such temporary barriers and walkways are maintained in a visually attractive manner (i.e., free of trash, graffiti, peeling postings and of uniform paint color or graphic treatment) throughout the construction period. The construction management company's name and telephone number(s) shall be posted at a least one location along each street frontage that borders the Project Site.
- The Project shall stage noise-generating construction equipment as far away from the noise-sensitive receptors adjacent to the east of the Project Site as practicable; minimize the number of noise-generating construction equipment in simultaneous use; and/or provide other noise-reducing techniques.

The effectiveness of the noise reduction strategies to achieve the performance standard shall be documented by on-site noise monitoring conducted by a qualified acoustical analyst using a Type 1 instrument in accordance with the American National Standards Institute (ANSI) S1.4. Noise monitoring shall be conducted during early Project construction phases when the use of heavy equipment is prevalent.

- w. The Applicant shall designate a construction relations officer to serve as a liaison with surrounding residents and property owners who is responsible for responding to any concerns regarding construction. The liaison's telephone number(s) shall be prominently displayed at the Project Site. Signs shall also be posted at the Project Site that include permitted construction days and hours. In addition, no less than 30 days prior to the start of construction, the Applicant shall also meet with the principal, or other designated representatives, of Young Oak Kim Academy, including the LAUSD's Transportation Branch to discuss Project construction dates, the Construction Management Plan, and

provide information regarding the construction relations officer who would serve as the liaison to the community.

- x. Due to potential noise impacts on the schools, no construction vehicles or haul trucks shall be staged or idled on W. 6<sup>th</sup> Street between Vermont Avenue and Shatto Place and on Shatto Place between W. 6<sup>th</sup> Street and Wilshire Boulevard during school hours.
- y. The Project shall install a sound enclosure or equivalent noise attenuation measures for the Project's operational emergency generators that shall provide a minimum noise reduction of 15 dBA. The generator would generate noise levels of approximately 81 dBA ( $L_{eq}$ ) at 25 feet with the noise attenuation measures. At Plan Check, building plans shall include documentation prepared by a noise consultant verifying compliance with this measure.
- z. The Project shall implement construction vibration reduction strategies to reduce vibration levels from construction affecting vibration-sensitive receptors on the Project Site, to the east of the Project Site, and adjacent to the north of the Project Site, with a performance standard of achieving a construction vibration level of less than 0.5 inches per second PPV at the face of the on-site former church building, less than 0.3 inches per second PPV at the face of the 500 Shatto Place building, 3109 West 6<sup>th</sup> Street building and the 523 South Westmoreland Avenue building, and 72 VdB or less at occupied vibration-sensitive residential receptors adjacent to the east of the Project Site. Vibration reduction strategies shall include one or a combination of the following to achieve the performance standards.
  - Use construction equipment, fixed or mobile, that individually generates less vibration than presumed in the Federal Transit Administration (FTA) Transit Noise and Vibration Impact Assessment Manual. Examples of such equipment are medium, compact, small, or mini model versions of bulldozers, drills, or trucks; or newer model equipment with lower vibration levels; or other applicable equipment that are equipped with reduced vibration-generating engines. Construction equipment vibration levels shall be documented based on manufacturer's specifications or other equipment or testing documentation. The construction contractor shall keep construction equipment vibration level documentation on-site for the duration of Project construction.
  - Prior to obtaining a building permit, the effectiveness of the vibration reduction strategies to achieve the performance standard shall be documented in a vibration study conducted by a qualified acoustical/vibration engineer based on detailed Project plans for Plan Check.
- aa. Prior to construction, the Applicant shall retain the services of a qualified acoustical/vibration engineer to review the proposed construction equipment and develop and implement a vibration monitoring program capable of documenting the construction-related ground vibration levels at the on-site former church building, the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building, and the 523 South Westmoreland Avenue building.
  - The Applicant and qualified acoustical/vibration engineer shall conduct a pre-construction survey that visually identifies the existing conditions of the on-site former church building, the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building, and the 523 South Westmoreland Avenue building.

- During construction, the contractor shall install and maintain at least one continuously operational automated vibrational monitors on the on-site former church building, the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building, and the 523 South Westmoreland Avenue building. The monitors shall be capable of being programmed with two predetermined vibratory velocities levels:
    - On-site former church building: a first-level alarm equivalent to a 0.48 inches per second PPV at the face of the on-site former church building and a regulatory alarm level equivalent to 0.5 inches per second PPV at the face of the on-site former church building.
    - 500 Shatto Place building, 3109 West 6<sup>th</sup> Street building and the 523 South Westmoreland Avenue building: a first-level alarm equivalent to a 0.28 inches per second PPV at the face of the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building and the 523 South Westmoreland Avenue building and a regulatory alarm level equivalent to 0.3 inches per second PPV at the face of the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building and the 523 South Westmoreland Avenue building.
  - The monitoring system shall produce real-time specific alarms (for example, via text message and/or email to on-site personnel) when velocities exceed either of the predetermined levels. In the event of a first-level alarm, feasible steps to reduce vibratory levels shall be undertaken, including but not limited to halting/staggering concurrent activities and utilizing lower-vibratory techniques. In the event of an exceedance of the threshold level, the contractor shall review the construction work in the vicinity and investigate construction methods that would reduce vibration levels in the vicinity. If it is determined that the construction work is causing an exceedance of the vibration threshold level, the contractor shall also visually inspect the on-site former church building, the 500 Shatto Place building, the 3109 West 6<sup>th</sup> Street building, and the 523 South Westmoreland Avenue building for damage. Results of the inspection shall be logged. In the event damage occurs to finish materials due to construction vibration, such materials shall be repaired in consultation with a qualified preservation consultant, and if warranted, in a manner that meets the Secretary of the Interior's Standards.
- bb. Prior to the issuance of grading permits, the Applicant will provide a shoring plan prepared by a qualified structural engineer who meets the relevant Secretary of the Interior's Professional Standards, for review and approval by the City of Los Angeles. The shoring plan will ensure the protection of the on-site former church building on the Project Site, as well as the potential historic resources adjacent to the Project Site at 3109 West 6<sup>th</sup> Street and 523 South Westmoreland Avenue, during construction.
- cc. A construction fence shall be constructed around the Project Site to minimize trespassing, vandalism, short-cut attractions and attractive nuisances.
- dd. The plans shall incorporate the design guidelines relative to security, semi-public and private spaces, which may include but not be limited to access control to building, secured parking facilities, walls/fences with key systems, well-illuminated public and semi-public space designed with a minimum of dead space to eliminate areas of concealment, location of toilet facilities or building entrances in high-foot traffic areas, and provision of security guard patrol throughout the project site if needed. Please refer to "Design Out Crime Guidelines: Crime Prevention Through Environmental Design", published by the Los Angeles Police Department. Contact the Community Relations Division, located at 100 W.

1<sup>st</sup> Street, #250, Los Angeles, CA 90012; (213) 486-6000. These measures shall be approved by the Police Department prior to the issuance of building permits.

- ee. Prior to the occupancy of the Project, the Applicant shall provide the Olympic Area Commanding Officer with a diagram of each portion of the property, including access routes, and additional information to facilitate potential LAPD responses.
- ff. The Applicant shall prepare a detailed Construction Management Plan that shall include, but not be limited to, the following elements, as appropriate:
- Requiring workers and construction trucks to generally travel outside of the peak hours;
  - Prohibition of construction worker parking on nearby residential streets;
  - Temporary traffic control during all construction activities encroaching on public rights-of-way to improve traffic flow and safety on public roadways;
  - Scheduling of construction activities to reduce the effect on traffic flow on surrounding arterial streets;
  - Funding to Young Oak Kim Academy to provide an adequate number of crossing guards on school days to assist the safe movement of pedestrians/students at the intersection of 6<sup>th</sup> Street/Shatto Place when the sidewalks may be closed near Shatto Place and 6<sup>th</sup> Street for the Project's related construction.
  - Safety precautions for pedestrians and bicyclists through such measures as alternate routing and protection barriers as appropriate;
  - Scheduling of construction-related deliveries so as to generally occur outside the commuter peak hours; and
  - Installation of appropriate traffic signs around the Project Site to ensure pedestrian, bicycle, and vehicle safety.
- gg. There shall be no staging or parking of construction vehicles, including vehicles to transport workers on any of the streets adjacent to the school.
- hh. LADBS shall assign specific haul route hours of operation based upon Young Oak Kim Academy's hours of operation.
- ii. Haul route scheduling shall be sequenced to minimize conflicts with pedestrians, school buses and cars at the arrival and dismissal times of the school day. Haul route trucks shall not be routed past the school during periods when school is in session especially when students are arriving or departing from the campus.
- jj. The Applicant shall plan construction and construction staging as to maintain pedestrian access on adjacent sidewalks throughout all construction phases. This requires the applicant to maintain adequate and safe pedestrian protection, including physical separation (including utilization of barriers such as K-Rails or scaffolding, etc) from work space and vehicular traffic and overhead protection, due to sidewalk closure or blockage, at all times. Temporary pedestrian facilities shall be adjacent to the Project Site and provide safe, accessible routes that replicate as nearly as practical the most desirable

characteristics of the existing facility. Covered walkways shall be provided where pedestrians are exposed to potential injury from falling objects. Applicant shall keep sidewalk open during construction until only when it is absolutely required to close or block sidewalk for construction staging. Sidewalk shall be reopened as soon as reasonably feasible taking construction and construction staging into account.

#### **ADMINISTRATIVE CONDITIONS**

40. **MViP – Monitoring Verification and Inspection Program.** Prior to the effectuation of this grant, fees required per L.A.M.C section 19.01-E,3 for Monitoring of Conditional Use Permits and Inspection and Field Compliance Review of Operations shall be paid to the City.
  - a. Within 24 months from the beginning of operations or issuance of a Certificate of Occupancy, a City inspector will conduct a site visit to assess compliance with, or violations of, any of the conditions of this grant. Observations and results of said inspection will be documented and included in the administrative file.
  - b. The owner and operator shall be notified of the deficiency or violation and required to correct or eliminate the deficiency or violation. Multiple or continued documented violations or Orders to Comply issued by the Department of Building and Safety which are not addressed within the time prescribed, may result in additional corrective conditions imposed by the Zoning Administrator.
41. Should there be a change in the ownership and/or the operator of the business, the property owner and the business owner or operator shall provide the prospective new property owner and the business owner/operator with a copy of the conditions of this action prior to the legal acquisition of the property and/or the business. Evidence that a copy of this determination including the conditions required herewith has been provided to the prospective owner/operator shall be submitted to the Department of City Planning in a letter from the new operator indicating the date that the new operator/management began and attesting to the receipt of this approval and its conditions. The new operator shall submit this letter to the Department of City Planning within 30-days of the beginning day of his/her new operation of the establishment along with any proposed modifications to the existing floor plan, seating arrangement or number of seats of the new operation.
42. If at any time during the period of the grant, should documented evidence be submitted showing continued violation(s) of any condition(s) of the grant, resulting in a disruption or interference with the peaceful enjoyment of the adjoining and neighboring properties, the Zoning Administrator will have the right to require the petitioner(s) to file for a plan approval application together with the associated fees, to hold a public hearing to review the petitioner's compliance with and the effectiveness of the conditions of the grant. The petitioner(s) shall submit a summary and supporting documentation of how compliance with each condition of the grant has been attained. The purpose of the plan approval will be to review the operation of the premise and establish conditions applicable to the use as conducted by the owner or operator, consistent with the intent of the Conditions of this grant. Upon this review, the Zoning Administrator may modify, add or delete conditions, and if warranted, reserves the right to conduct this public hearing for nuisance abatement/revocation purposes.
43. **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.

44. **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.
45. **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.
46. **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.
47. **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.
48. **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.
49. **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.
50. **Enforcement.** Compliance with and the intent of these conditions shall be to the satisfaction of the Department of City Planning.
51. **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.

**52. 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 of, in whole or in part, the City's processing and approval of the entitlement, including but not limited to payment of all court costs and attorney's fees, costs of any judgments or awards against the City (including an award of attorney's fees), damages and/or settlement costs.
- 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 (b).
- e. If the City determines it necessary to protect the City's interests, 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, commission, committees, employees and volunteers.

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

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

## FINDINGS

(As amended by the City Planning Commission at its meeting on April 22, 2021)

### General Plan/Charter Findings

#### 1. General Plan.

- a. **General Plan Land Use Designation.** The subject property is located within the Wilshire Community Plan which was updated by the City Council on September 19, 2001.

The plan map designates the subject property as Community Commercial land use with corresponding zones of CR, C2, C4, P, PB, RAS3, and RAS4. The subject property is zoned CR-1 and C2-1. The General Plan Amendment to Regional Commercial is consistent with the Community Plan, as discussed below, and the Zone and Height District Change to the (T)(Q)C2-2D Zone is consistent with the range of zones within the Regional Commercial land use designation.

Therefore, the project is consistent with the General Plan as reflected in the adopted Community Plan.

- b. **Land Use Element.**

**Wilshire Community Plan.** The Community Plan text includes the following relevant land use goals, objectives and policies:

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

Objective 1-1: Provide for the preservation of existing quality housing, and for the development of new housing to meet the diverse economic and physical needs of the existing residents and expected new residents in the Wilshire Community Plan Area to the year 2010.

Policy 1-1.3: Provide for adequate Multiple Family residential development.

Policy 1-1.4: Provide for housing along mixed-use boulevards where appropriate.

Objective 1-2: Reduce vehicular trips and congestion by developing new housing in close proximity to regional and community commercial centers, subway stations and existing bus route stops.

Policy 1-2.1: Encourage higher density residential uses near major public transportation centers.

Objective 1-3: Preserve and enhance the varied and distinct residential character and integrity of existing residential neighborhoods.

Policy 1-3.3: Promote the preservation and rehabilitation of individual residential buildings of historic significance.

Objective 1-4: Provide affordable housing and increased accessibility to more population segments, especially students, the handicapped and senior citizens.

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

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

Policy 1-4.3: Encourage multiple family residential and mixed use development in commercial zones.

The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D protects surrounding stable single-family and low-density residential neighborhoods from encroachment by higher density residential uses by allowing for the development of 367 residential dwelling units, on lots designated and zoned for multi-family and commercial uses.

The project is located approximately 750 feet from Vermont/Wilshire Metro Station, with direct access to both the Metro B (Red) and D (Purple) Lines, thereby reducing vehicular trips to and from the project site and congestion around the site.

Lastly, as the project will provide a total of 367 residential units, including 11 percent of the total number of dwelling units as affordable housing for a total of 42 affordable dwelling units, the project increases the housing stock and promotes greater individual choice in housing without displacing any existing residents.

Goal 2: Encourage strong and competitive commercial sectors which promote economic vitality and serve the needs of the Wilshire community through well-designed, safe and accessible areas, while preserving historic and cultural character.

Objective 2-1: Preserve and strengthen viable commercial development and provide additional opportunities for new commercial development and services within existing commercial areas.

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

Policy 2-1.2: Protect existing and planned commercially zoned areas, especially in Regional Commercial Centers, from encroachment by standalone residential development by adhering to the community plan land use designations.

Objective 2-2: Promote distinctive commercial districts and pedestrian-oriented areas.

Policy 2-2.1: Encourage pedestrian-oriented design in designated areas and in new development.

Policy 2-2.3: Encourage the incorporation of retail, restaurant, and other neighborhood serving uses in the first floor street frontage

of structures, including mixed use projects located in Neighborhood Districts.

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

Policy 2-2.1: Improve streetscape identity and character through appropriate controls of signs, landscaping, and streetscape improvements; and require that new development be compatible with the scale of adjacent neighborhoods.

The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D facilitates the construction of 36,400 square feet of office and restaurant floor area thereby avoiding the encroachment of standalone development within a commercially zoned area.

The project will renovate and re-purpose an existing, 19,972 square-foot church building (built in 1936) into commercial (retail/restaurant) uses and will remove an existing surface parking lot along the Shatto Place frontage with a new public plaza that will be nicely landscaped and lined with neighborhood serving commercial uses. This new public plaza will enable the development to more appropriately fit into the existing neighborhood.

Goal 17: Preserve and restore cultural resources, neighborhoods and landmarks which have historical and/or cultural significance.

Objective 17-1: Ensure that the Wilshire Community's historically significant resources are protected, preserved, and/or enhanced.

Policy 17-1.1: Encourage the preservation, maintenance, enhancement and reuse of existing historic buildings and the restoration of original facades.

Objective 17-3: Encourage private owners of historic resources to maintain and enhance their properties in a manner that will preserve the integrity of such resources.

Policy 17-3.1: Assist private owners of historic resources to maintain and enhance their properties in a manner that will preserve the integrity of such resources.

While the existing church building (formerly the First English Evangelical Lutheran Church) is not an Historic-Cultural Monument, it is identified in SurveyLA as an "as an excellent example of Spanish Colonial Revival institutional architecture." The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D supports the preservation and reuse of the church building.

Therefore, the project is consistent with the Wilshire Community Plan in that it implements the abovementioned goals, objectives and policies if the Plan.

- c. The **Framework Element** for the General Plan (Framework Element) was adopted by the City of Los Angeles in December 1996 and re-adopted in August 2001. The Framework

Element provides guidance regarding policy issues for the entire City of Los Angeles, including the project site. The Framework Element also sets forth a Citywide comprehensive long-range growth strategy and defines Citywide policies regarding such issues as land use, housing, urban form, neighborhood design, open space, economic development, transportation, infrastructure, and public services. The Framework Element includes the following goals, objectives and policies relevant to the instant request:

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

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

Policy 3.1.4: Accommodate new development in accordance with land use and density provisions of the General Plan Framework Long-Range Land Use Diagram and Table 3-1.

Policy 3.1.5: Identify areas on the Long-Range Land Use Diagram and in the community plans sufficient for the development of a diversity of uses that serve the needs of existing and future residents (housing, employment, retail, entertainment, cultural/institutional, educational, health, services, recreation, and similar uses), provide job opportunities, and support visitors and tourism.

Objective 3.2: Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

Policy 3.2.1: Provide a pattern of development consisting of distinct districts, centers, boulevards, and neighborhoods that are differentiated by their functional role, scale, and character. This shall be accomplished by considering factors such as the existing concentrations of use, community-oriented activity centers that currently or potentially service adjacent neighborhoods, and existing or potential public transit corridors and stations.

Policy 3.2.2: Establish, through the Framework Long-Range Land Use Diagram, community plans, and other implementing tools, patterns and types of development that improve the integration of housing with commercial uses and the integration of public services and various densities of residential development within neighborhoods at appropriate locations.

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

Policy 3.4.1: Conserve existing stable residential neighborhoods and lower-intensity commercial districts and encourage the majority of new commercial and mixed-use (integrated commercial and residential) development to be located (a) in a network of neighborhood districts, community, regional, and downtown centers, (b) in proximity to rail and bus transit stations and corridors, and (c) along the City's major boulevards, referred to as districts, centers, and mixed-use boulevards, in accordance with the Framework Long-Range Land Use Diagram.

The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D is consistent with the General Plan Framework Long-Range Land Use Diagram and Table 3-1 and allows for development of a new, 41-story, mixed-use development with 367 residential dwelling units and 36,400 square feet of office and restaurant floor area which will serve the needs of existing and future residents, and provides job opportunities, thereby contributing toward and facilitating the City's long-term economic viability and vision for a more liveable city.

The project is located approximately 750 feet from Vermont/Wilshire Metro Station, with direct access to both the Metro B (Red) and D (Purple) Lines, thereby reducing vehicular trips to and from the project site and congestion around the site.

Additionally, the increased intensity of the project enables the city to conserve nearby existing stable residential neighborhoods and lower-intensity commercial districts by allowing controlled growth away from such neighborhoods and districts.

Lastly, the project while also recognizes the unique opportunity to preserve and reuse existing church building which, while not an Historic-Cultural Monument, it is identified in SurveyLA as an "as an excellent example of Spanish Colonial Revival institutional architecture."

Therefore, the General Plan Amendment and Zone and Height District Changes are consistent with the Distribution of Land Use goals, objectives and policies of the General Plan Framework Element.

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

Objective 3.10: Reinforce existing and encourage the development of new regional centers that accommodate a broad range of uses that serve, provide job opportunities, and are accessible to the region, are compatible with adjacent land uses, and are developed to enhance urban lifestyles.

Policy 3.10.1: Accommodate land uses that serve a regional market in areas designated as "Regional Center". Retail uses and

services that support and are integrated with the primary uses shall be permitted. The range and densities/intensities of uses permitted in any area shall be identified in the community plans.

The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D allows for the development of a mixed-use project that provides 367 dwelling units and 36,400 square feet of office and restaurant/retail uses, all within 750 feet of the Vermont/Wilshire Metro Station.

Therefore, the Zone Change is consistent with the Regional Centers goals, objectives and policies of the General Plan Framework Element.

- d. The **Housing Element** of the General Plan will be implemented by the recommended action herein. The Housing Element is the City's blueprint for meeting housing and growth challenges. It identifies the City's housing conditions and needs, reiterates goals, objectives, and policies that are the foundation of the City's housing and growth strategy, and provides the array of programs the City has committed to implement to create sustainable, mixed-income neighborhoods across the City. The Housing Element includes the following objectives and policies relevant to the instant request:

Goal 1: Housing Production and Preservation.

Objective 1.1: Produce an adequate supply of rental and ownership housing in order to meet current and projected needs.

Policy 1.1.3: Facilitate new construction and preservation of a range of different housing types that address the particular needs of the city's households.

Policy 1.1.4: Expand opportunities for residential development, particularly in designated Centers, Transit Oriented Districts and along Mixed-Use Boulevards.

Objective 1.4: Reduce regulatory and procedural barriers to the production and preservation of housing at all income levels and needs.

Policy 1.4.1: Streamline the land use entitlement, environmental review, and building permit processes, while maintaining incentives to create and preserve affordable housing.

The General Plan Amendment to re-designate the subject property to Regional Commercial, along with the Zone and Height District Change to (T)(Q)C2-2D implements the Housing Element by increasing the housing supply consistent with the Regional Center Commercial land use designation. The project will result in the production of new housing opportunities, meeting the needs of the city, while ensuring a range of different housing types, along with covenanted-restricted affordable units that address the particular needs of the city's households.

Furthermore, the project streamlines the land use entitlement, environmental review, and building permit process by establishing a singular regulatory standard across the entire site which allows for the construction of 367 dwelling units, as opposed to the project going through multiple individual entitlements.

Therefore, the General Plan Amendment, and Zone and Height District Change is consistent with the Housing Element goals, objectives and policies of the General Plan.

- e. The **Mobility Element** of the General Plan (Mobility Plan 2035) is not likely to be affected by the recommended action herein. Shatto Place is a Local Street and 6<sup>th</sup> Street is an Avenue II. Dedications and improvements have been established under the approved Vesting Tentative Tract Map No. 83213.

Policy 2.3: Recognize walking as a component of every trip, and ensure high-quality pedestrian access in all site planning and public right-of-way modifications to provide a safe and comfortable walking environment.

Policy 2.10: Facilitate the provision of adequate on and off-street loading areas.

The proposed project has been designed with a minimal number of driveways along Shatto Place and the loading dock is located at the back of the structure and out of view from the public right-of-way.

Policy 3.1: Recognize all modes of travel, including pedestrian, bicycle, transit, and vehicular modes - including goods movement - as integral components of the City's transportation system.

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

Policy 3.4: Provide all residents, workers and visitors with affordable, efficient, convenient, and attractive transit services.

Policy 3.5: Support "first-mile, last-mile solutions" such as multi-modal transportation services, organizations, and activities in the areas around transit stations and major bus stops (transit stops) to maximize multi-modal connectivity and access for transit riders.

Policy 3.7: Improve transit access and service to major regional destinations, job centers, and inter-modal facilities.

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

The project's proximity to existing regional transit services (within 750 feet of the Vermont/Wilshire Metro Station and Metro Rapids 720 and 754) will reduce vehicular trips to and from the project, vehicle miles traveled, and will contribute to the improvement of air quality. The adjacency of the regional transit services along with the creation of 367 dwelling units and 36,400 square feet of office and restaurant/retail uses, ties the proposed project into a regional network of transit and housing.

In addition, the project will provide a total of 200 bicycle parking spaces, including 185 spaces for residences (18 short-term and 167 long-term spaces) and 15 for the commercial uses (7 short-term and 8 long-term spaces). A separate bicycle room is located at the northern portion of the ground floor and includes a workspace to allow bicyclists to maintain their bicycles.

Policy 5.4: Continue to encourage the adoption of low and zero emission fuel sources, new mobility technologies, and supporting infrastructure.

The project shall provide electric vehicle charging spaces (EV Spaces) and electric vehicle charging stations (EVCS) in conformance with the regulations outlined in Sections 99.04.106 and 99.05.106 of Article 9, Chapter IX of the LAMC.

Therefore, the General Plan Amendment and Vesting Zone and Height District Change are consistent with Mobility Plan 2035 goals, objectives and policies of the General Plan.

- f. The **Sewerage Facilities Element** of the General Plan will not be affected by the recommended action. While the sewer system might be able to accommodate the total flows for the proposed project, further detailed gauging and evaluation may be needed as part of the permit process to identify a specific sewer connection point. If the public sewer has insufficient capacity then the developer will be required to build sewer lines to a point in the sewer system with sufficient capacity. A final approval for sewer capacity and connection permit will be made at that time. Ultimately, this sewage flow will be conveyed to the Hyperion Treatment Plant, which has sufficient capacity for the project.
- g. **Charter Findings - City Charter Sections 555 and 558 (General Plan Amendment).**

The Wilshire Community Plan designates four (4) major areas as Regional Commercial. The subject property - which is northeast of the intersection of Shatto Place and 6<sup>th</sup> Street - and surrounding area are located within the "Wilshire Center Regional Commercial Center." The Wilshire Center Regional Commercial Center is approximately 100 acres in size and "includes a dense collection of high rise office buildings, large hotels, regional shopping complexes, churches, entertainment centers, and both high-rise and low-rise apartment buildings."

Similarly, the subject property and surrounding area are found within the Regional Center designation of the General Plan Framework Element, as shown in the Long Range Land Use Diagram. The Framework Element defines a Regional Center as, "[a] focal point of regional commerce, identity and activity and containing a diversity of uses such as corporate and professional offices, residential, retail commercial malls, government buildings, major health facilities, major entertainment and cultural facilities and supporting services. Generally, different types of Regional Centers will fall within the range of floor area ratios from 1.5:1 to 6.0:1. Some will only be commercially oriented; others will contain a mix of residential and commercial uses. Generally, Regional Centers are characterized by 6- to 20-stories (or higher). Regional Centers are usually major transportation hubs."

The proposed project involves the construction of a new, 41-story, mixed-use development with 367 residential dwelling units and 36,400 square feet of office and restaurant floor area. The project would have a maximum Floor Area Ratio (FAR) of 6:1. Lastly, the project is located approximately 750 feet from a major transportation hub, the Vermont/Wilshire Metro Station, with direct access to both the Metro B (Red) and D (Purple) Lines. The General Plan Amendment from Community Commercial to Regional Commercial to allow the project to be rezoned to Height District 2 and thereby allow an FAR of 6:1.

Therefore, as the project is located within an area with significant economic and physical identity, as identified by both the General Plan Framework Element and the Wilshire Community Plan, the General Plan Amendment complies with Charter Section 555.

The proposed General Plan Amendment will be in conformity with Charter Section 558 because it will satisfy public necessity, convenience, general welfare and good zoning practice. As discussed in Findings Section 1, above, the Plan Amendment is good zoning practice because it will ensure a land use designation consistent with the General Plan Framework Element and Wilshire Community Plan. It will also satisfy the public's needs, convenience and general welfare by allowing for the construction of 367 residential dwelling units and 36,400 square feet of office and restaurant floor area within an area designated as a Regional Center, as discussed in Findings Section 1 above, and the Zone Change Findings Section 2 below.

Therefore, the General Plan Amendment and Vesting Zone and Height District Change is consistent with City Charter Sections.

### **Zone Change and Height District Change Findings**

#### **2. Pursuant to LAMC Section 12.32, the zone change, height district change and classifications are necessary because:**

- a. **Public Necessity:** Approval of the Zone and Height District Change to the (T)(Q)C2-2D Zone is necessary in order for the project to be considered under one (1) zone rather than multiple zones. The mixed-use development is consistent with the type of development encouraged by the General Plan Framework Element and the Wilshire Community Plan, with regard to Regional Center development, as outlined above.
- b. **Convenience:** The project will redevelop a commercially zoned property that is within 750 feet of the Vermont/Wilshire Metro Station and Metro Rapids 720 and 754 with 367 residential dwelling units and 36,400 square feet of office and restaurant floor area which will provide new housing, dining and retail opportunities within walking distance to surrounding residences and public transit
- c. **General Welfare:** Granting the Zone and Height District Change to the (T)(Q)C2-2D Zone allows for the development of a mixed-use project with 367 residential dwelling units and 36,400 square feet of office and restaurant floor area, which will support the Wilshire community by providing additional housing, dining and retail opportunities, as well as enhance the urban environment, by encouraging daytime and nighttime activity within a Regional Center. Given the project's proximity to existing regional transit services, the project will provide new housing opportunities and amenities at both the local and regional scale.
- d. **Good Zoning Practices:** Approval of the Zone and Height District Change to the (T)(Q)C2-2D Zone with 367 residential dwelling units and 36,400 square feet of office and restaurant floor area, is consistent with the type of development encouraged by the General Plan Framework Element and the Wilshire Community Plan, with regard to Regional Center development, as outlined above.
- e. **"T" Tentative and "Q" Classification and "D" Development Limitation Findings:** Per Section 12.32-G, 1, 2 and 4 of the Municipal Code, the current action, as recommended, has been made contingent upon compliance with new "T" and "Q" conditions of approval and "D" development limitations imposed herein for the proposed project. Such limitations are necessary to ensure that the scale, design and scope of future development on the site are limited to protect the orderly arrangement of the property concerned into lots and/or that provision be made for adequate streets, drainage facilities, grading, sewers, utilities, park and recreational facilities; and/or that provision be made for payments of fees in lieu of dedications and/or that provision be made for other dedications; and/or that provision

be made for improvements the best interests of and to assure a development more compatible with surrounding properties, to secure an appropriate development in harmony with the General Plan as discussed in Findings Section 1, and to prevent potential adverse environmental effect of adding incompatible uses to the established neighborhood.

### **Conditional Use Findings**

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

The proposed project involves 440,442 square feet of floor area consisting of a 41-story, mixed-use high rise with a maximum height of 483 feet and the conversion of an existing 19,972 square-foot church building into restaurant uses. The project would demolish all other existing buildings onsite. The high-rise would contain 367 residential dwelling units, including 11 percent of the total number of dwelling units as affordable housing (six (6) percent Very Low Income and five (5) percent Extremely Low Income) for a total of 42 affordable dwelling units. Total commercial square footage, inclusive of the re-purposed church building, would consist of 36,400 square feet of office and restaurant floor area. All restaurants seeking to utilize the requested Main Conditional Use Permit ("MCUP") would have maximum hours of operation from 11:00 a.m. to 2:00 a.m., daily. The project proposes up to 470 automobile parking spaces in four levels of subterranean parking, 175 long-term bicycle parking spaces, 25 short-term bicycle parking spaces, and 33,169 square feet of credited open space.

The subject property is comprised of four (4) lots resulting in approximately 66,411 square feet of lot area prior to dedication and 73,407 square feet post-dedication with a 345-foot frontage along Shatto Place and a 187-foot frontage along 6<sup>th</sup> Street.

The property is located within the Wilshire Community Plan and approximately 750 feet from the Vermont/Wilshire Metro Station and Metro Rapids 720 and 754.

### **Alcohol**

The subject request entails a Main Conditional Use Permit (MCUP) to allow the sale and dispensing of a full line of alcoholic beverages for on-site consumption in conjunction with 10 restaurants. In order to utilize this grant, each individual tenant will be required to file a Main Plan Approval (MPA) application to review the final floor plans and the mode and character of each venue. The Zoning Administrator may impose additional conditions, modify or delete any conditions of the instant grant based in his or her review of each individual application, unless otherwise noted by the conditions of this grant. Therefore, more specific operational conditions will be included as part of the Approval of Plans determination required for each establishment.

All of the restaurants are located at ground level and will enhance the built environment in the surrounding neighborhood and will perform a function and provide a service that is essential and beneficial to the surrounding community in a variety of different respects. The project will offer viable dining options and compete with other eating venues, while offering an alcoholic beverage to complement the meal. The project will allow for residents, employees and visitors of the area a great selection of dining choices that will add convenience for those who visit the site. The sales of alcoholic beverages incidental to food service will allow the establishments to be competitive and offer viable dining options in the area, while providing a convenience. As such, the project will enhance the built environment in the surrounding neighborhood, and will provide a service that is essential and beneficial to the surrounding community.

### Transient Occupancy Residential Structure (TORS)

The applicant is seeking a Conditional Use to allow the construction, use and maintenance of a 90-unit Transient Occupancy Residential Structure (TORS). A TORS use would allow short-term rental for less than 30 days which is similar to a guest room within a hotel. However, unlike a guest room, the TORS use allows for kitchens whereas guest rooms do not. Therefore, as the proposed 90 TORS units are effectively dwelling units but limited to a maximum 30-day tenancy, the TORS component does not service a function or service that is essential or beneficial to the community, city, and the region as a whole.

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

The proposed project involves 440,442 square feet of floor area consisting of a 41-story, mixed-use high rise with a maximum height of 483 feet and the conversion of an existing 19,972 square-foot church building into restaurant uses. The project would demolish all other existing buildings onsite. The high-rise would contain 367 residential dwelling units, including 11 percent of the total number of dwelling units as affordable housing (six (6) percent Very Low Income and five (5) percent Extremely Low Income) for a total of 42 affordable dwelling units. Total commercial square footage, inclusive of the re-purposed church building, would consist of 36,400 square feet of office and restaurant floor area. All restaurants seeking to utilize the requested Main Conditional Use Permit ("MCUP") would have maximum hours of operation from 11:00 a.m. to 2:00 a.m., daily. The project proposes up to 470 automobile parking spaces in four levels of subterranean parking, 175 long-term bicycle parking spaces, 25 short-term bicycle parking spaces, and 33,169 square feet of credited open space.

Surrounding properties are developed with a mix of residential, commercial retail/restaurant, commercial office, and institutional uses. To the west of the project site, along Shatto Place, land uses include office and creative office development, surface parking, a parking structure, and educational uses such as Nobel University and county government uses including the Los Angeles County Department of Workforce, Aging and Community Services, the Los Angeles County Department of Mental Health, and the Los Angeles County Regional Park and Open Space District. The project site is bordered to the north along West 5<sup>th</sup> Street by multi-family housing. To the east, along South Westmoreland Avenue, uses include multi-family residential, commercial and office development. To the south of the project site, along West 6<sup>th</sup> Street, land uses include various commercial and office uses and related surface parking. Southwest of the project site is Young Oak Kim Academy, a Los Angeles Unified School District (LAUSD) middle school.

Other notable developments in the surrounding area include the following:

<b>Address</b>	<b>Floor Area</b>	<b>FAR</b>	<b>Height</b>
<i>Proposed Project</i>	<i>440,442 sq. ft.</i>	<i>6:1</i>	<i>41 stories</i>
<i>515-531 Virgil Avenue &amp; 518-526 Westmoreland Avenue (approved)</i>	<i>132,367 sq. ft.</i>	<i>3.61:1</i>	<i>8 stories</i>
2968 6 <sup>th</sup> Street & 601 Commonwealth Avenue	340,832 sq. ft.	4.26:1	7 stories
522-550 Shatto Place & 3119 6 <sup>th</sup> Street <i>(approved, subject property)</i>	235,744 sq. ft.	4.25:1	31 stories
3033-3037 Wilshire Boulevard	244,406 sq. ft.	6.21:1	19 stories
3019-3023 6 <sup>th</sup> Street <i>(approved)</i>	14,977 sq. ft.	3.18:1	6 stories

### Alcohol

In order to utilize this grant, each individual tenant will be required to file a Main Plan Approval (MPA) application to review the final floor plans and the mode and character of each venue. The Zoning Administrator may impose additional conditions, modify or delete any conditions of the instant grant based in his or her review of each individual application, unless otherwise noted by the conditions of this grant. Therefore, more specific operational conditions will be included as part of the Approval of Plans determination required for each establishment.

General as well as more specific conditions of approval have been included in this grant to address nuisances, mode and character, noise, security, and responsible management. Hours of operation for the outdoor patios are limited from 11:00 a.m. to 2:00 a.m., daily. The approval is limited to on-site consumption within bona-fide restaurants.

As conditioned, by the instant grant and future MPAs, approval of the instant request will not be materially detrimental to the character of the immediate neighborhood. As such, the project's location, size, height, operations and other significant features will be compatible with and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare and safety and the development of the community.

### Transient Occupancy Residential Structure

The applicant is seeking a Conditional Use to allow the construction, use and maintenance of a 90-unit Transient Occupancy Residential Structure (TORS). As indicated above, the surrounding neighborhood include numerous building which are similar to the proposed development. The TORS' proximity to downtown and Hollywood along with local and regional transit services will minimize the dependence of guests on the automobile which will reduce roadway congestion.

Therefore, the proposed TORS, will be compatible with the surrounding urban environment and will not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, welfare, and safety.

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

There are eleven elements of the General Plan. Each of these Elements establishes policies that provide for the regulatory environment in managing the City and for addressing environmental concerns and problems. The majority of the policies derived from these Elements are in the form of Code Requirements of the Los Angeles Municipal Code. Except for those entitlements described herein, the project does not propose to deviate from any of the requirements of the Los Angeles Municipal Code.

The Land Use Element of the City's General Plan divides the City into 35 Community Plans. The subject property is located within the Wilshire Community Plan. The applicant has requested a General Plan Amendment from Community Commercial to Regional Commercial and a Zone and Height District Change to (T)(Q)C2-2D.

The Community Plan text is silent with regards to the sale of alcohol, nevertheless, as discussed in Finding No. 1, the project is consistent with many of the goals and objectives of the General Plan and the Wilshire Community Plan. The project is not located within any Specific Plan.

With regards to TORS, the Wilshire Community Plan text includes the following relevant land use goals, objectives and policies:

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

Objective 1-1: Provide for the preservation of existing quality housing, and for the development of new housing to meet the diverse economic and physical needs of the existing residents and expected new residents in the Wilshire Community Plan Area to the year 2010.

Policy 1-1.3: Provide for adequate Multiple Family residential development.

Policy 1-1.4: Provide for housing along mixed-use boulevards where appropriate.

Objective 1-4: Provide affordable housing and increased accessibility to more population segments, especially students, the handicapped and senior citizens.

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

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

The proposed 90 TORS units, which are limited to a maximum 30-day tenancy, do not increase the housing stock or promote greater individual choice in housing. Therefore, the TORS component of the project is consistent with the Wilshire Community Plan.

Therefore, the project is not in substantial conformance with the purpose, intent and provisions of the General Plan and the applicable community plan.

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

Conditional authorization for the sales and dispensing of a full line of alcoholic beverages for on-site consumption is allowed through the approval of a Conditional Use subject to certain findings. Given the scope of the conditions and limitations established herein, the surrounding land uses will not be significantly impacted by the sale of alcohol. As stated in the above finding, the proposed project will be consistent with the intent of the General Plan and Community Plan.

A variety of commercial uses are an intrinsic part of these service amenities necessary for the conservation, development, and success of a vibrant neighborhood. The grant includes conditions to ensure the existing and proposed restaurants remain compatible with surrounding uses. As conditioned, the sale of alcohol will not adversely affect the welfare of the pertinent community.

The conditions of the grant include deterrents against loitering and to encourage responsible management. Employees will undergo training on the sale of alcohol including training provided by the Los Angeles Police Department Standardized Training for Alcohol Retailers (STAR) Program. Other conditions related to excessive noise, litter and noise prevention

would safeguard the residential community. In addition, each individual tenant will be required to file a Main Plan Approval (MPA) to utilize the instant grant to review the final floor plans and the mode and character of each venue. The Zoning Administrator may impose additional conditions, modify or delete any conditions of the instant grant based in his or her review of each individual application, unless otherwise noted by the conditions of this grant. Therefore, more specific operational conditions will be included as part of the Approval of Plans determination required for each establishment. As such, the proposed uses will not adversely affect the welfare of the pertinent community.

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

The applicant is requesting a Main Conditional Use Permit to allow for the sale and distribution of a full line of alcoholic beverages within 10 restaurants.

According to the State of California Department of Alcoholic Beverage Control (ABC) licensing criteria, five (5) on-sale and three (3) off-sale licenses are allocated to subject Census Tract No. 2111.20. There are currently seven (7) on-site and five (5) off-site licenses in this census tract.

According to statistics provided by the Los Angeles Police Department, within Crime Reporting District No. 2029, which has jurisdiction over the subject property, a total of 381 crimes and arrests were reported in 2020, compared to the citywide average of 141 and the high crimes and arrests reporting district average of 169 crimes for the same period.

In 2020, there were 20 Narcotics, 0 Liquor Law, 1 Public Drunkenness, 0 Disturbing the Peace, 1 Disorderly Conduct, and 4 DUI related arrests. These numbers do not reflect the total number of arrests in the subject reporting district over the accountable year. Arrests for this calendar year may reflect crimes reported in previous years.

Over concentration can be undue when the addition of a license will negatively impact a neighborhood. Over concentration is not undue when the approval of a license does not negatively impact an area, but rather such a license benefits the public welfare and convenience. While the site is located in a census tract where the number of existing ABC licenses exceeds ABC guidelines and within a reporting district where the crime rate is higher than the citywide average, no evidence was submitted for the record by the LAPD or adjacent residents indicating or suggesting any link between the subject site and the neighborhood's crime rate. Furthermore, given the size and variety of uses within the proposed development, the sale and consumption of alcohol within 10 restaurants is not expected in add to the existing crime levels in the area. No Revocation proceedings have been initiated within the City of Los Angeles and suspensions of alcohol licenses have occurred within the census tract in recent years.

8. **The proposed use will not detrimentally affect nearby residentially zoned communities in the area of the City involved, after giving consideration to the distance of the proposed use from residential buildings, churches, schools, hospitals, public**

**playgrounds and other similar uses, and other establishments dispensing, for sale or other consideration, alcoholic beverages, including beer and wine.**

A multi-family residential development abuts subject property to the east and numerous sensitive uses, such as churches and schools exist within the surrounding neighborhood. While the proposed project is located in proximity to these sensitive uses, the site does not have direct access to these uses. These uses are located a substantial distance from the site and will not to be directly affected by activities on the site.

- |   |                                  |
|---|----------------------------------|
| • LA Jesus Village Church               | 612 South Shatto Place           |
| • Islamic Center of Southern California | 434 South Vermont Avenue         |
| • Rhema Mission                         | 3200 West Wilshire Boulevard     |
| • Ralph Mission Church                  | 3100 West Wilshire Boulevard     |
| • Korean Christian Mission              | 2975 West Wilshire Boulevard     |
| • First Korean Congregation             | 639 South Commonwealth Avenue    |
| • Shatto Recreation Center              | 3191 West 4 <sup>th</sup> Street |
| • Young Oak Kim Academy                 | 615 South Shatto Place           |

Nevertheless, included in this grant are a number of general conditions that will act to minimize any impacts that might be generated by alcohol serving establishment. As conditioned, the proposed project is anticipated to not have a detrimental effect on any sensitive use in the area.

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

See Finding #1 above.

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

The proposed project involves 440,442 square feet of floor area consisting of a 41-story, mixed-use high rise with a maximum height of 483 feet and the conversion of an existing 19,972 square-foot church building into restaurant uses. Total commercial square footage, inclusive of the re-purposed church building, would consist of 36,400 square feet of office and restaurant floor area. The project proposes up to 470 automobile parking spaces in four (4) levels of subterranean parking, 175 long-term bicycle parking spaces, 25 short-term bicycle parking spaces, and 33,169 square feet of credited open space.

The subject property is comprised of four (4) lots resulting in approximately 66,411 square feet of lot area prior to dedication and 73,407 square feet post-dedication with a 345-foot frontage along Shatto Place and a 187-foot frontage along 6<sup>th</sup> Street.

The subject property is currently developed with the New Covenant Academy, a private school serving grades K-12, and a four-story office building in the north which includes a one-story plus mezzanine 12,800 square feet church building constructed in 1936 for the First English Evangelical Lutheran Church. The 1936 church building on the Project Site was identified by SurveyLA, the citywide historic resources survey overseen by the City of Los Angeles' Office of Historic Resources, as appearing to be eligible through survey evaluation for listing in the National Register of Historic Places, the California Register of Historical Resources, and as a

local Historic-Cultural Monument. Therefore, the church building is treated as a historical resource as defined by CEQA. In addition, the property is developed with a 4,105-square-foot one-story school classroom building constructed in 1953, a 2,412-square-foot, two-story classroom building constructed in 1964, and restroom and storage facilities constructed in 2004 (1,760 square feet), and surface parking; and at 514 Shatto Place, there is a four story, concrete-framed, mid-rise, multi-tenant office building with at-grade parking.

Surrounding properties are developed with a mix of residential, commercial retail/restaurant, commercial office, and institutional uses. To the west of the project site, along Shatto Place, land uses include office and creative office development, surface parking, a parking structure, and educational uses such as Nobel University and county government uses including the Los Angeles County Department of Workforce, Aging and Community Services, the Los Angeles County Department of Mental Health, and the Los Angeles County Regional Park and Open Space District. The project site is bordered to the north along West 5<sup>th</sup> Street by multi-family housing. To the east, along South Westmoreland Avenue, uses include multi-family residential, commercial and office development. To the south of the project site, along West 6<sup>th</sup> Street, land uses include various commercial and office uses and related surface parking. Southwest of the project site is Young Oak Kim Academy, a Los Angeles Unified School District (LAUSD) middle school.

The proposed 440,442 square-foot (6:1 FAR), 41-story mixed-use development is compatible with the existing and future surrounding developments. The table below includes a list of existing or approved developments within approximately 1,000 feet of the subject site.

<b>Address</b>	<b>Floor Area</b>	<b>FAR</b>	<b>Height</b>
<i>Proposed Project</i>	<i>440,442 sq. ft.</i>	<i>6:1</i>	<i>41 stories</i>
<i>515-531 Virgil Avenue &amp; 518-526 Westmoreland Avenue (approved)</i>	<i>132,367 sq. ft.</i>	<i>3.61:1</i>	<i>8 stories</i>
2968 6 <sup>th</sup> Street & 601 Commonwealth Avenue	340,832 sq. ft.	4.26:1	7 stories
522-550 Shatto Place & 3119 6 <sup>th</sup> Street <i>(approved, subject property)</i>	235,744 sq. ft.	4.25:1	31 stories
3033-3037 Wilshire Boulevard	244,406 sq. ft.	6.21:1	19 stories
3019-3023 6 <sup>th</sup> Street <i>(approved)</i>	14,977 sq. ft.	3.18:1	6 stories

The proposed project is the construction, use, and maintenance of a new, 41-story building and the preservation and reuse of an existing church building. The 41-story building will include 367 residential units, including 42 affordable units, and 16,428 square feet of commercial office and retail/restaurant floor area at the first and second floor levels. The existing church building will include 19,972 square feet of retail/restaurant floor area. Below the 41-story building will be four (4) levels of subterranean parking.

The project includes 200 one-bedroom units, 100 two-bedroom units, 13 three-bedroom units and 54 five-bedroom units.

#### Height, Bulk, and Setbacks

The applicant has request a Zone and Height District Change to the (T)(Q)C2-2D Zone. The project's height, floor area and setbacks are consistent with the requested zone.

With 73,407 square feet of buildable area with a maximum permitted FAR of 6:1, the project is permitted 440,442 square feet, as is proposed. The proposed building height of 483 feet and 41 stories is consistent with the Height District. The 11-foot, one-inch front yard setback and the setbacks at the residential levels complies with the (T)(Q)C2-2D Zone.

The height, bulk, and setbacks of the subject project are consistent with the existing development in the immediate surrounding area and with the requested (T)(Q)C2-2D Zone.

### Parking

The project proposes up to 470 automobile parking spaces, including 396 spaces for the residences and 74 space for the commercial uses, all to be located within four (4) levels of subterranean parking. The project will also provide 175 long-term bicycle parking spaces, 25 short-term bicycle parking spaces.

Vehicular access to the site is provided via two (2) driveways along Shatto Place, one (1) ingress-only driveway and one (1) ingress/egress driveway, both with access to the subterranean parking levels. Pedestrian access to the residential and office buildings are located off of Shatto Place and 6<sup>th</sup> Street. Therefore, the parking will be compatible with the existing and future developments in the area.

### Lighting

Lighting is required to be provided per LAMC requirements. The project proposes security lighting will be provided to illuminate building, entrances, walkways and parking areas. As conditioned, the project is required to provide outdoor lighting with shielding, so that the light source cannot be seen from adjacent residential properties. Therefore, the lighting will be compatible with the existing and future developments in the neighborhood.

### On-Site Landscaping

The project will provide 33,169 square feet of Code-qualified Open Space and will provide 4,147 square feet of landscaping, including 92 trees.

The project has been conditioned so that all open areas not used for buildings, driveways, parking areas, recreational facilities or walks will be attractively landscaped and maintained in accordance with a landscape plan, including an automatic irrigation plan, prepared by a licensed landscape architect. The planting of any required trees and street trees will be selected and installed per the Bureau of Street Services, Urban Forestry Divisions' requirements. Therefore, the on-site landscaping will be compatible with the existing and future developments in the neighborhood.

### Loading/Trash Area

The project will provide a loading area at the back of the building, with a private alley. Waiting areas and drop areas will be on the ground level.

The project will include on-site trash collection for both refuse and recyclable materials, in conformance with the LAMC. Compliance with these regulations will allow the project to be compatible with existing and future development. Additionally, service area for trash collection is to be located on all upper floors. Therefore, as proposed and conditioned, the project is compatible with existing and future development on neighboring properties.

As described above and as depicted within the plans and elevations submitted with the instant application, with parking on-site for residents and commercial parking spaces, lighting, landscaping, trash collection, and other pertinent improvements, the project is compatible with existing and future development in the surrounding area.

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

The project provides 33,169 square feet of Code-qualified Open Space in the form of 16,585 square feet of outdoor common area at the 2<sup>nd</sup>, 3<sup>rd</sup>, and 40<sup>th</sup> floors and 16,584 square feet of private balcony area for individual units. The project provides an additional 33,045 square feet of Open Space at the ground, 2<sup>nd</sup>, 3<sup>rd</sup> and 40<sup>th</sup> floors.

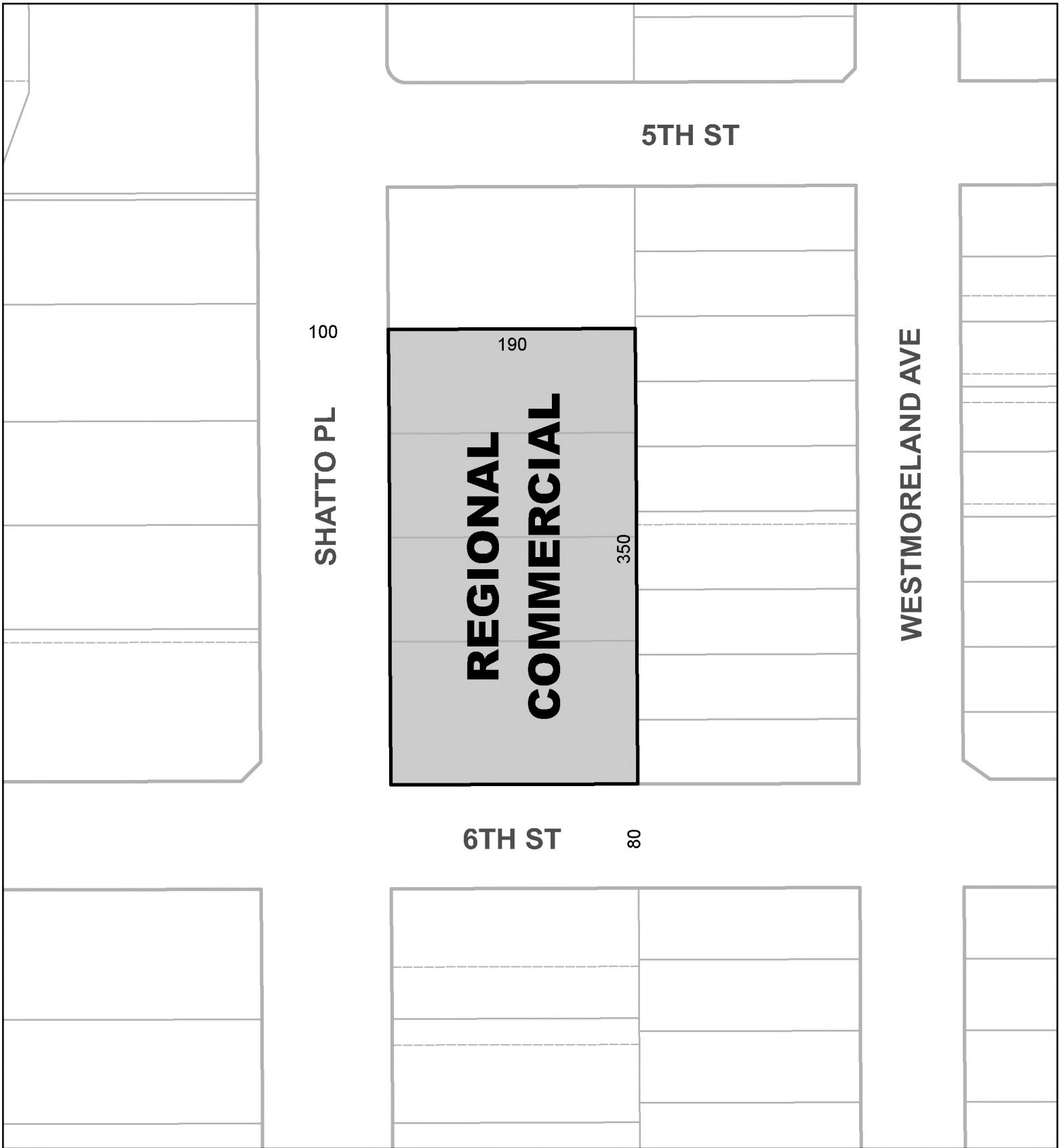
Specifically, the project includes the following: landscaping and seating areas at the ground floor within the public plaza area; landscaping, seating areas, a pool and spa, indoor and outdoor gym areas, and bar/kitchen on the 3<sup>rd</sup> floor; and landscaping, seating areas, fire pits, a spa, dining areas, a bar, barbeques, and community rooms on the 40<sup>th</sup> floor.

Therefore, the proposed project provides recreational and service amenities that will improve habitability for its residents and minimize impacts on neighboring properties.

**Environmental Findings**

**12. Sustainable Communities Environmental Assessment.** Based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in Sustainable Communities Environmental Assessment No. ENV-2018-3986-SCEA, adopted on August 14, 2019; and pursuant to CEQA Guidelines 15162 and 15164, as supported by the addendum dated February 2021, no major revisions are required to the SCEA; and no subsequent SCEA is required for approval of the project.

**13. Flood Insurance.** 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 in Flood Zone X, areas determined to be outside the 0.2% annual chance floodplain.



**REGIONAL  
COMMERCIAL**

100  
SHATTO PL

WESTMORELAND AVE

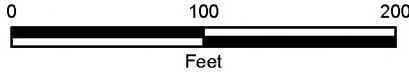
5TH ST

6TH ST

190

350

80



City of Los Angeles



CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA

AAICf

WILSHIRE

051421

## RESOLUTION

**WHEREAS**, the subject project is located within the area covered by the Wilshire Community Plan which was updated by the City Council on September 19, 2001; and

**WHEREAS**, the City Planning Commission recommended approval of a General Plan Amendment from Community Commercial to Regional Center Commercial; and recommended approval of a Zone and Height District Change from CR-1 and C2-1 to (T)(Q)C2-2; and

**WHEREAS**, the approved project is for the construction of a 367-unit mixed-use development; and

**WHEREAS**, the City Planning Commission at its meeting on April 22, 2021 approved the General Plan Amendment and recommended approval by the City Council and the Mayor of a General Plan Amendment; and

**WHEREAS**, pursuant to the provisions of the Los Angeles City Charter, the Mayor and City Planning Commission have transmitted their recommendations; and

**WHEREAS**, the requested General Plan Amendment is consistent with the intent and purpose of the adopted Wilshire Community Plan to designate land use in an orderly and unified manner; and

**WHEREAS**, the Regional Center Commercial land use designation and the (T)(Q)C2-2 Zone will allow the project as described above which is consistent with the Plan and Zone; and

**WHEREAS**, the subject proposal has prepared an Addendum to a Sustainable Communities Environmental Assessment No. ENV-2018-3986-SCEA-REC1 in accordance with the City's Guidelines for implementation of the California Environmental Quality Act (CEQA);

**NOW, THEREFORE, BE IT RESOLVED** that the Wilshire Community Plan be amended as shown on the attached General Plan Amendment map.

# COVID-19 UPDATE

## Interim Appeal Filing Procedures

Fall 2020



Consistent with Mayor Eric Garcetti's "Safer At Home" directives to help slow the spread of COVID-19, City Planning has implemented new procedures for the filing of appeals for non-applicants that eliminate or minimize in-person interaction.

### OPTION 1: Online Appeal Portal

([planning.lacity.org/development-services/appeal-application-online](http://planning.lacity.org/development-services/appeal-application-online))

Entitlement and CEQA appeals can be submitted online and payment can be made by credit card or e-check. The online appeal portal allows appellants to fill out and submit the appeal application directly to the Development Services Center (DSC). Once the appeal is accepted, the portal allows for appellants to submit a credit card payment, enabling the appeal and payment to be submitted entirely electronically. A 2.7% credit card processing service fee will be charged - there is no charge for paying online by e-check.

**Appeals should be filed early to ensure DSC staff has adequate time to review and accept the documents, and to allow Appellants time to submit payment.** On the final day to file an appeal, the application must be submitted and paid for by 4:30PM (PT). Should the final day fall on a weekend or legal holiday, the time for filing an appeal shall be extended to 4:30PM (PT) on the next succeeding working day. Building and Safety appeals (LAMC Section 12.26K) can only be filed using Option 2 below.

### OPTION 2: Drop off at DSC

An appellant may continue to submit an appeal application and payment at any of the three Development Services Center (DSC) locations. City Planning established drop off areas at the DSCs with physical boxes where appellants can drop.

#### **Metro DSC**

(213) 482-7077  
201 N. Figueroa Street  
Los Angeles, CA 90012

#### **Van Nuys DSC**

(818) 374-5050  
6262 Van Nuys Boulevard  
Van Nuys, CA 91401

#### **West Los Angeles DSC**

(310) 231-2901  
1828 Sawtelle Boulevard  
West Los Angeles, CA 90025

City Planning staff will follow up with the Appellant via email and/or phone to:

- Confirm that the appeal package is complete and meets the applicable LAMC provisions
- Provide a receipt for payment

# Online Invoice #67767

(Created on : 10/16/2020 12:28:45 PM)

Invoice status: Paid

If you have questions about this invoice, please contact the planner assigned to this case. To identify the assigned planner, please visit <https://planning.lacity.org/pdiscaseinfo/> and enter the Case Number.

---

**Project Address:** 3119 W 6TH ST, 90020

---

**Notes:** SPR fee waived, in enterprise zone

---

Case Number: CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA			
Item	Fee	%	Charged Fee
General Plan Amendment and Zone Change (400 d.u., 500k sq ft [comm/ind], 250k sq ft [mixed use] or more) (1) *	\$28,299.00	100	\$28,299.00
Height District Change (each) (1) *	\$19,270.00	50	\$9,635.00
Conditional Use by APC or CPC (each) (1) *	\$12,633.00	25	\$3,158.25
Conditional Use by ZA (All other uses, including wireless) (1) *	\$5,660.00	25	\$1,415.00
Expediting Fee - Additional - [N] (1)	\$9,000.00	100	\$9,000.00
Expediting Fee - CPC Cases (1)	\$8,500.00	100	\$8,500.00
Case Number: ENV-2018-3986-SCEA-REC1			
Item	Fee	%	Charged Fee
Addendum or Supplemental to Prior Environmental Determination (1) *	\$1,909.00	100	\$1,909.00
Case Number: VTT-83213			
Item	Fee	%	Charged Fee
COMM/IND-Building (250k FAR sq ft or more)- Tentative Map (1) *	\$16,039.00	100	\$16,039.00
* Fees Subject to Surcharges			
<b>Operating Surcharge (7%)</b>			\$4231.87
<b>General Plan Maintenance Surcharge (7%)</b>			\$4231.87
<b>Development Services Center Surcharge (3%)</b>			\$1813.66
<b>City Planning Systems Development Surcharge (6%)</b>			\$3627.32
<b>Invoice Grand Total:</b>			\$91,859.97

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(<https://planning.lacity.org/additional/privacy-policy>) | [Disclaimer](#)

(<https://planning.lacity.org/additional/disclaime>)

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## HELPFUL LINKS

City of Los Angeles (<https://www.lacity.org>)

City Departments, Agencies, and Bureaus (<https://www.lacity.org/your-government/departments-commissions/departments-bureaus>)

Department of City Planning (<https://planning.lacity.org>)

## PLANNING TOOLKIT



([https://play.google.com/store/apps/details?](https://play.google.com/store/apps/details?id=org.lacity.ladcp.planningToolkit&hl=en)

[id=org.lacity.ladcp.planningToolkit&hl=en](https://play.google.com/store/apps/details?id=org.lacity.ladcp.planningToolkit&hl=en))



(<https://itunes.apple.com/TR/app/id787467145>)



**LOS ANGELES**  
 201 N. LOS ANGELES ST., STE. 13A  
 LOS ANGELES, CA 90012  
 TEL: (213)617-9600, FAX: (213)617-9643

**VAN NUYS**  
 14540 SYLVAN ST.  
 VAN NUYS, CA 91411  
 TEL: (818) 779-8866, FAX: (818) 779-8870

**CONTRACT**

CASE NUMBER: **CPC-20-6192-CU** BTCID: **LA21-407**

REFERENCE: **LA20-664** DATE: **6/22/2021**

SITE ADDRESS: **660 S. FIGUEROA ST., #1780**

AUTHORIZED BY: **WINSTON**

**DESCRIPTION OF SERVICES AND FEES:**

Color Fold Over Labels and Mailing	0	\$2.58	
Color Fold Over Mailing Only	0	\$2.18	
Appeals – Number	1759	x \$1.83	\$3,218.97
Posting of Site – Number of signs	0	x \$85.00 (1 <sup>st</sup> )	
	0	x \$70.00 (addtl.)	
Research/Add'l N.C. and Council Notification			\$14.00
All Weather Posting (optional)	0	\$20.00	
Removal of Signs (optional)	0	\$50.00	

**TOTAL DUE: \$3,232.97**

A COPY OF THIS FORM MUST BE PRESENTED TO THE PLANNING DEPARTMENT AT THE TIME OF FILING TO HAVE YOUR APPLICATION DEEMED "COMPLETE"

Note: If applicant/map maker is retaining labels for addition of case number, labels must be returned to BTC within 7 days from the date of this invoice, or BTC will be forced to produce labels and charge the applicant/map maker. If bill is not paid, further processing of your other cases will stop. For cases requiring immediate mailing, labels must be submitted on the day of payment or BTC will produce labels and charge applicant/map maker.

x *JY*

The City of LA usually generates a determination letter comprising of one(1) to three(3) pages which requires 1st Class postage. If your project requires a determination letter that exceeds three pages, you will be billed for excess postage and material costs that are due on receipt of bill. A \$ 50.00 fee will be charged if you want a copy of the BTC file(s).

x *JY*

Refunds and Credits only valid one year from the original filing date. Cancellations and changes are subject to a 20% or \$50.00 handling fee, whichever is greater. Returned checks subject to a \$200.00 fee. If the check is fraudulent, the City will be notified that the invoice is null and void. A fee of 10% will be charged to re-activate all null and void invoices.

x *JY*

If instructed by the city that your case has gone to appeal, we will immediately mail out per city instructions. The cost of mail and processing of \$1.83/label, is immediately due to us from you. It is to be paid within 10 days. If we do not receive payment within 10 days, a 10% a month (starting after 10 days) fee will be charged and due.

x *JY*

Signature: \_\_\_\_\_

Telephone: (213) 503-1860

Print Name: TF SHATTO, LP/JONATHAN YANG

Refunds and Credits only valid one year from the original filing date.

**PAID**  
 6-22-21  
 CH# 349

116 5077-003-010  
515 SHATTO LLC  
11400 W OLYMPIC BLVD #850  
LOS ANGELES CA 90064  
VTT 82171

117 5077-003-037  
SHATTO INVESTMENT COMPANY  
13238 CUMPSTON ST  
SHERMAN OAKS CA 91401  
VTT 82171

122 5077-003-901 TO 905  
L A COUNTY  
500 W TEMPLE ST #754  
LOS ANGELES CA 90012  
VTT 82171

126 5077-004-017, 026  
MISSION UNIVERSITY WORLD  
500 SHATTO PL  
LOS ANGELES CA 90020  
VTT 82171

127 5077-004-018  
WESTMORELAND 19 LLC  
8609 W WEST KNOLL DR #A  
WEST HOLLYWOOD CA 90069  
VTT 82171

128 5077-004-019  
523 S WESTMORELAND AVE LLC  
75 BROADWAY #230  
SAN FRANCISCO CA 94111  
VTT 82171

129 5077-004-020  
SCOTT J & HEIKE A SUSSMAN  
8028 AGNEW AVE  
LOS ANGELES CA 90045  
VTT 82171

130 5077-004-021  
JOYCE DI VITA  
847 WARNER AVE  
LOS ANGELES CA 90024  
VTT 82171

131 5077-004-025  
TF SHATTO LP  
121-450 SW MARINE DR  
VANCOVER BC V5X 0C3  
VTT 82171

136 5077-004-033  
TF SHATTO LIMITED PARTNERSHIP  
11400 W OLYMPIC BLVD #850  
LOS ANGELES CA 90064  
VTT 82171

144 5077-009-001  
PARGOLD LP  
PO BOX 10669  
SAN BERNARDINO CA 92423  
VTT 82171

150 5077-009-012  
VICTORVILLE HOLDINGS INC  
14962 RIVERSIDE DR  
APPLE VALLEY CA 92307  
VTT 82171

153 5077-009-913  
L A UNIFIED SCHOOL DIST  
333 S BEAUDRY AVE  
LOS ANGELES CA 90017  
VTT 82171

BUREAU OF ENGINEERING  
1149 S BROADWAY SUITE 700  
LOS ANGELES CA 90015-2213  
VTT 82171

CITY ADMINISTRATIVE OFFICER  
MAIL STOP 130  
200 N MAIN ST 15TH FLOOR  
LOS ANGELES CA 90012  
VTT 82171

DEPARTMENT OF BUILDING & SAFETY  
MAIL STOP 115  
201 N FIGUEROA ST  
LOS ANGELES CA 90012  
VTT 82171

CITY OF LA DEPT OF TRANSPORTATION  
100 S MAIN ST 10TH FLR  
LOS ANGELES CA 90012  
VTT 82171

LOS ANGELES UNIFIED SCHOOL  
DISTRICT  
333 S BEAUDRY AVE  
LOS ANGELES CA 90017  
VTT 82171

DEPARTMENT OF NEIGHBORHOOD  
EMPOWERMENT  
200 N SPRING ST SUITE 2005  
LOS ANGELES CA 90012  
VTT 82171

RAMPART VILLAGE NEIGHBORHOOD  
COUNCIL  
155 N OCCIDENTAL BLVD  
LOS ANGELES CA 90026  
VTT 82171

COUNCIL DISTRICT 13  
ATTN: MITCH O' FARRELL  
200 N SPRING ST RM470  
LOS ANGELES CA 90012  
VTT 82171

COMMUNITY REDEVELOPMENT  
AGENCY  
448 S HILL ST SUITE 1200  
LOS ANGELES CA 90013  
VTT 82171

OWNER/APPLICANT  
TF SHATTO LP  
C/O TOWNLINE  
121-450 SW MARINE DR  
VANCOVER BC V5X 0C3  
VTT 82171

REPRESENTATIVE  
IRVINE & ASSOCIATES  
ATTN: TIM MORAN  
660 S FIGUEROA ST #1780  
LOS ANGELES CA 90017  
VTT 82171

GC MAPPING SERVICE  
ATTN: GILBERT CASTRO  
3055 W VALLEY BLVD  
ALHAMBRA CA 91803  
VTT 82171

PP

GC MAPPING SERVICE  
ATTN: GILBERT CASTRO  
5005 LA CALANDRIA WAY  
LOS ANGELES CA 90032  
VTT 82171

PP

**Applicant Copy**  
 Office: Downtown  
 Application Invoice No: 73229

City of Los Angeles  
 Department of City Planning



Scan this QR Code® with a barcode reading app on your Smartphone. Bookmark page for future reference.



\*6800173229\*



## City Planning Request

NOTICE: The staff of the Planning Department will analyze your request and accord the same full and impartial consideration to your application, regardless of whether or not you obtain the services of anyone to represent you.

This filing fee is required by Chapter 1, Article 9, L.A.M.C.

If you have questions about this invoice, please contact the planner assigned to this case. To identify the assigned planner, please visit <https://planning.lacity.org/pdiscaseinfo/> and enter the Case Number.

**For appeal case, your appeal is not valid unless the payment is received prior to 4:30PM on the last day of the appeal period.**

Applicant: TF SHATTO LIMITED PARTNERSHIP - CHAN, DAMON ( 604-6492125 )
Representative:
Project Address: 3119 W 6TH ST, 90020

**NOTES:**

CPC-2020-6192-GPAJ-VZCJ-HD-CU-MCUP-SPR-HCA-1A			
Item	Fee	%	Charged Fee
Appeal by Applicant-85% of the Application Fee (Enter application fee amount) *	\$60,000.00	100%	\$13,538.00
<b>Case Total</b>			<b>\$13,538.00</b>

Item	Charged Fee
*Fees Subject to Surcharges	\$13,538.00
Fees Not Subject to Surcharges	\$0.00
<b>Plan &amp; Land Use Fees Total</b>	<b>\$13,538.00</b>
<b>Expediting Fee</b>	<b>\$0.00</b>
<b>Development Services Center Surcharge (3%)</b>	<b>\$406.14</b>
<b>City Planning Systems Development Surcharge (6%)</b>	<b>\$812.28</b>
<b>Operating Surcharge (7%)</b>	<b>\$947.66</b>
<b>General Plan Maintenance Surcharge (7%)</b>	<b>\$947.66</b>
<b>Grand Total</b>	<b>\$16,651.74</b>
<b>Total Invoice</b>	<b>\$16,651.74</b>
<b>Total Overpayment Amount</b>	<b>\$0.00</b>
<b>Total Paid</b> (this amount must equal the sum of all checks)	<b>\$16,651.74</b>

Council District: 13  
 Plan Area: Wilshire  
 Processed by VIDAL, ANNA on 06/23/2021

Signature: \_\_\_\_\_

**Building & Safety Copy**  
 Office: Downtown  
 Application Invoice No: 73229

City of Los Angeles  
 Department of City Planning



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