

Attachment A
Administrative Density Bonus Subject to ED1 Ordinance
13315 N. Dronfield Ave. & 14265 W. Polk St.

Applicant and Project Description

The project pertains to a certain real property located at the intersection of Dronfield Avenue and Polk Street (13315 N. Dronfield Ave & 14265 W. Polk St, or the “Property”). The Property consists of Lot 4, arb 7, Block 94 of the Los Angeles Olive Growers Association Lands Tract, APN No. 2504013020. The Property contains a total of 54,531 square feet of lot area on one lot in the RD6-1XL-K zone. The Property is currently improved with one 2,001 square foot single-family home in addition to numerous accessory storage structures (the “Existing Structures”). The Property is owned by Jorge Martinez and Patricia Garcia (the “Owners”). The dwelling unit on the Property is occupied by the Owners.

The Owners are also the applicants and intend to demolish the Existing Structures and construct a 5-story, 100% affordable, mixed-use apartment building with 354 dwelling units (the “Proposed Project”). The units will consist of 282 Low Income units, 71 Moderate Income units, and 1 Manager’s Unit. The Proposed Project and the Property are described in greater detail below.

The Applicant is seeking a ministerial density bonus under the Mayor’s Executive Directive and LAMC 12.22.A.25, in conjunction with California Assembly Bills AB1763 and AB2345. The Property is in the Sylmar neighborhood and is subject to the Sylmar Community Plan, with a land use designation of Low III Residential. Pursuant to LAMC Section 12.22.A.25 and Executive Directive 1, the Proposed Project is pursuing a density bonus for a 100% affordable residential development with off-menu incentives.

Surrounding Zoning and Uses

North - RA-1-K: Residential
East - RD3-1: Residential
South – RA-1-K: Residential
West – RD6-1XL-K: Residential

Requested Incentives

1. Off-menu incentive to allow for 47.6% increase in FAR (4.43:1 in lieu of 3.0:1)
2. Off-menu incentive to reduce yards:
 - Reduce rear yard by 40% to provide 15' in lieu of 25'
 - Reduce front yard setback by 67% to provide 15' in lieu of 45' per Building Line ordinance
 - Reduce both side yard setbacks by 50% to provide 5' in lieu of 10'
3. Off-menu incentive to reduce open space by 50% to provide 17,700 SF in lieu of 34,500 SF
4. Off-menu incentive to reduce automobile parking by 100% to provide 0 spaces in lieu of 489

Off-Menu Incentive Findings

Pursuant to Government Code Section 65915, the decision maker shall approve a Density Bonus and requested Off-Menu Incentive(s) unless the decision maker finds that:

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

The Proposed Project consists solely of rent-restricted units at the Low Income and Moderate Income levels. Such units have the same incremental costs (for both construction and operations) as market rate units, but their rents are strictly limited as determined by State law, leading to a reduced return for a project that is 100% affordable units. Increased construction costs, interest rates, maintenance costs and debt, combined with severely reduced rents could preclude the Project from obtaining financing.

FAR - The permitted Floor Area for the Property is 3:1. As such, the project is limited to a total floor area of 101,463 SF. The Applicant has requested an increase in allowable floor area to permit development of 149,837 SF with a resulting FAR of 4.43:1, permitted by LAMC 12.22-A.25(g)(3) as an off-menu incentive. The incentive to increase the permissible FAR allows the Project to maximize the number of affordable units that can be constructed on the Property, thereby increasing the revenue potential of the development to the point that it is financially possible to provide a 100% affordable project.

Yards -

Rear Yard - The proposed project is a 5-story residential development located in the RD6 Zone. The RD6 Zone requires a minimum twenty-five (25) foot rear yard setback. The Applicant has requested a 40% reduction in the required rear yard, allowing 15 feet in lieu of 25 feet otherwise

required in the RD6 Zone, as an Off-Menu incentive permitted by LAMC 12.22-A.25(g)(3). This request is necessary for the Proposed Project because the required setback of 25 feet would reduce the buildable area of the Project. This reduction in buildable area directly impacts the potential revenue from the Project. With fewer units to rent, the overall financial viability of the development would be compromised.

Front Yard - The proposed project is a 5-story residential development located in the RD6 Zone. The RD6 Zone requires a minimum twenty (20) foot front yard setback, while the Building Line ordinance requires a forty-five (45) foot building setback from the front property line. The Applicant has requested a 67% reduction in the required front yard, allowing 15 feet in lieu of 45 feet otherwise required by the Building Line ordinance and 20 feet as otherwise required in the RD6 Zone, as an Off-Menu incentive permitted by LAMC 12.22-A.25(g)(3). This request is necessary for the Proposed Project because the required setback of 45 feet would reduce the buildable area of the Project. This reduction in buildable area directly impacts the potential revenue from the Project. With fewer units to rent, the overall financial viability of the development would be compromised.

Side Yards - The proposed project is a 5-story residential development located in the RD6 Zone. The RD6 Zone requires a minimum ten (10) foot side yard setback. The Applicant has requested a 50% reduction in the required side yards, allowing 5 feet in lieu of 10 feet otherwise required in the RD6 Zone, as an Off-Menu incentive permitted by LAMC 12.22-A.25(g)(3). This request is necessary for the Proposed Project because the required setback of 10 feet would reduce the buildable area of the Project. This reduction in buildable area directly impacts the potential revenue from the Project. With fewer units to rent, the overall financial viability of the development would be compromised.

Open Space - The Proposed Project will provide 2 studio units and 352 one-bedroom units. Per LAMC 12.21.G.2., the project is therefore required to provide 35,400 SF of open space. The Applicant has requested a 50% reduction in the required open space to provide 17,700 SF in lieu of the otherwise required 35,400 SF. The project design is such that there is very limited space available for the required open space, so the building area would have to be significantly reduced, thus requiring a reduction of the total unit count. The open space requirement is 35,400 SF, which amounts to 65% of the Property's lot area. The project would be significantly scaled back if the buildable area were limited to just 35% of the lot area, such that the project would no longer be financially viable. The incentive to reduce the open space requirement will therefore result in identifiable cost benefits to facilitate the provision of the 354 affordable units on the site.

Parking - Constructing parking facilities involves significant expenses and would financially preclude the Project. In Los Angeles, it costs between \$30-50k per parking space to build a

parking structure, in addition to possible related infrastructure such as drainage systems, utility connections, and driveways which add to the overall expense of the parking construction and also incur the Project with an additional long-term maintenance cost burden. If the Project were required to provide parking to code for all 354 units, the cost for the parking construction alone would likely exceed \$17 million. Given the high interest rates, high labor and material costs, and already slim margins of affordable housing development, the project would not be financeable without the requested incentive for parking.

b. The Incentives will have a Specific Adverse Impact upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the Specific Adverse Impact without rendering the development unaffordable to Very Low, Low and Moderate Income households.

There is no substantial evidence that the proposed density bonus will have a specific adverse impact on the public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources. The project does not involve a structure on the City of Los Angeles list of Historical-Cultural Monuments nor in a Historic Preservation Overlay Zone.

C. The Incentives are contrary to State/federal law. With the addition of incentives, the project complies with all other applicable codes and ordinances.

There is no substantial evidence indicating that the requested Incentives are contrary to any State or federal laws.