

Holland & Knight

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March 9, 2020

Via E-mail (cpc@lacity.org)
Honorable City Planning Commissioners
City of Los Angeles
200 N. Spring Street, Room 272
Los Angeles, California 90012

Re: **1045 Olive Street/CPC-2017-3251-TDR-MCUP-SPR**

Dear Honorable Commissioners:

Holland & Knight LLP represents 1045 Olive, LLC (the “Applicant”) in relation to the proposed mixed-use residential tower containing 794 dwelling units and up to 12,504 square feet of ground floor commercial restaurant and retail space (the “Project”) located at 1045 S. Olive Street in the South Park neighborhood within the City of Los Angeles (the “City”). The Project promises to be an exciting addition to the immediate neighborhood and surrounding community by activating Olive and 11th Streets; supplying much needed housing;¹² providing millions of dollars in direct public benefits; delivering an Environmental Leadership Development Project (“ELDP”) already certified by the Governor of California with net-zero Greenhouse Gas (“GHG”) emissions; and providing a significant investment in the local economy.

This letter endeavors to guide the City Planning Commission as it considers this housing development project subject to the Housing Accountability Act by addressing: recent podium screening enhancements that include a biodiversity panel that will create butterfly habitat;

¹ The City recently acknowledged that the Southern California Association of Government’s draft Regional Housing Needs Assessment (“RHNA”) call for the City to produce 192,432 market rate housing units within the 6th Cycle, a more than five-fold increase in necessary market rate housing production in the City, as compared to RHNA’s 5th Cycle. See October 24, 2019 Housing and Community Investment Department Memo to the Planning and Land Use Management Committee of the City Council, Council File CF 19-0773 accessed March 7, 2019 at http://clkrep.lacity.org/onlinedocs/2019/19-0773_misc_10-25-2019.pdf.

² See *California needs more housing, but 97% of cities and counties are failing to issue enough RHNA permits*, <https://www.oregister.com/2019/12/09/losing-the-rhna-battle-97-of-cities-counties-fail-to-meet-state-housing-goals/> accessed March 6, 2020.

technical corrections to the Project drawings; an updated TFAR recommendation request; and proposed changes to the staff report (“Staff Report”) and draft conditions of approval.

I. Background

After working with the City on this Project since 2016 on this housing development project, the Applicant is thrilled that the Zoning Administrator recently approved a Zoning Administrator’s Interpretation (“ZAI”) for the mid-tower open space areas (ZAI-2017-4745-ZAI) and certified the ELDP Environmental Impact Report (ENV-2016-4360-EIR) (the “Certified EIR”); and that the Advisory Agency approved the Vesting Tentative Tract Map (VTT-74531-CN (the “VTTM”). The Project, deemed complete on January 4, 2017, would provide a substantial amount of new housing to the City, in an architecturally noteworthy building, without seeking any discretionary incentives, bonuses, waivers, variances, or adjustments. The discretionary actions before the City Planning Commission, while necessary and critical for this housing development project, are in actuality very limited: Site Plan Review; a Master Conditional Use Permit for alcohol sales; and a required recommendation to the City Council on the request for a Transfer of Floor Area Ratio (“TFAR”) for greater than 50,000 square feet of floor area pursuant to Los Angeles Municipal Code (“LAMC”) Article 14.5.

II. Screening Enhancements

The Project includes liner dwelling units along all street facing facades in strict compliance with the Downtown Design Guide (“DDG”). In addition, the Project includes architectural screening, as well as other measures that integrate the parking podium seamlessly into the design of the tower. The Certified EIR also includes required Project Design Feature AES-PDF-2 (“*Parking Shielding: Podium parking will be shielded from adjacent areas with minimum 36-inch high baffling panels behind architectural screen meshing for aesthetic character as well as for light and sound attenuation*”). Additionally, in direct response to comments from Planning in late 2019, the Applicant retained Terreform One to integrate an art and biodiversity component into the Project’s plaza and podium façade areas.³

The Project’s art and biodiversity component improvements foster biodiversity and function as a way-station for regionally at-risk Monarch butterflies through its bio-receptive panels and nectar sources. The goal is to bring nature back into cities not as superficial greenery, but rather as an aid to species in the urban realm that have been affected by development. Furthermore, the biodiversity element includes plants such as pollution-eating moss that ameliorate urban air quality. The tectonics are calibrated to the feeding and perching needs of Monarch butterflies in order to boost their population numbers. Since the pedestrian-realm and podium have substantial public frontages, the Project aims to celebrate these techniques and visual patterns as a public art piece

³ Terraform One is a nonprofit architecture and urban design research-based consulting group. Its mission: “*We endeavor to combat the extinction of all planetary species through pioneering acts of design. Our projects aim to illuminate the environmental possibilities of habitats, cities and landscapes across the globe.*” See <http://www.terreform.org/about.html> accessed March 6, 2020.

that can educate pedestrians, bicyclists, and passing motorists on the opportunities for re-wilding cities.

III. Technical Corrections to the Drawings

As part of the biodiversity screening enhancements, the Project architect prepared drawings dated March 12, 2020 that added the biodiversity component and updated renderings; these were submitted to the City in late February 2020. In the rush to get the drawings to the City for distribution, we subsequently became aware that the changes were layered on an older set of drawings that did not reflect the current bike parking requirements⁴ and other iterative improvements made to the Project over time. As such, attached to this letter are updated and corrected drawings that reflect the biodiversity screening improvements, also dated March 12, 2020.

IV. Updated TFAR Request

A. Revised TFAR Plan

Even though the Project was deemed complete in 2017 and is in strict compliance with the DDG requirements, Planning in late 2019 requested additional enhancements to the podium. In recognition of the cost of the biodiversity and art component which were added to the Project in response to comments from Planning regarding the podium, the Applicant hereby seeks a revised Transfer Plan to directly provide 100 percent of the Public Benefit Payments (“PBP”).⁵

Prior to Planning’s request for additional enhancements to the podium screening, the Applicant requested a direct PBP of \$7,686,810.32, with \$7,686,810.33 proposed to be provided via cash to the City’s TFAR PBP Trust Fund. With the additional public benefits provided by the Project and the Applicant’s desire to provide gap financing that would further the creation of affordable housing,⁶ even though the Project has no legal obligation to provide any affordable housing,⁷ and

⁴ For instance, the Staff Report indicates that the Project would provide 80 short-term and 794 bike parking spaces which would be greatly in excess of current LAMC bike parking requirements. The corrected numbers are 32 short-term and 278 long-term bike parking spaces in compliance with current LAMC bike parking requirements.

⁵ See LAMC Section 14.5.9.B authorizing the City Council to approve directly provided PBP in excess of 50 percent.

⁶ The California Legislature has found and declared that a lack of housing “is a critical problem that threatens the economic, environmental, and social quality of life in California,” and that “[t]he excessive cost of the state’s housing supply is partially caused by activities and policies of many local governments that limit the approval of housing, increase the cost of land for housing, and require that high fees and exactions be paid by producers of housing.” See Gov. Code § 65589.5(a).

⁷ See attached excerpted Transcript of City Planning Commission Thursday, September 13, 2018 for Items 8 and 9, pp. 138 to 141: “CHAIR MILLMAN: Okay. And, David, you have something? MR. AMBROZ: Yeah, I just have a point for clarification, [City Planner] Heather [Bleemers] and/or [City Attorney] Amy [Brothers]. **We have no nexus to require additional affordable housing.** Therefore, we cannot do that. Am I -- am I hearing you correctly? MS. BROTHERS: (Nods head.) MR. AMBROZ: Yeah, the City Attorney's shaking her head. Can you say that in your microphone Amy? MS. BROTHERS: Deputy City Attorney, Amy Brothers. There's not a nexus. MR.

the difficulty of providing affordable housing for a project being entitled with a VTTM, the Applicant hereby requests the entirety of the \$15,373,620.65 PBP to be directly provided as follows:

- \$7,000,000 City's Affordable Housing Trust Fund ("AHTF") for projects within three miles of the Project site
- \$3,000,000 CD 14 Public Benefits Trust Fund for affordable housing within three miles of the Project site
- \$200,000 for South Park Business Improvement District ("SPBID") for a dog run and parklets
- \$5,173,620.65 for the integrated biodiversity system/art component/plaza

The revision to the PBP to directly provide **\$10,000,000** to affordable housing would further City General Plan Housing Element Chapter 6 Objective 1.1 to "Produce an adequate supply of rental and ownership housing to meet current and projected needs," and Policy 17 which states in part: "Consider dedicating a portion of the Public Benefit Trust Fund payment to the Affordable Housing Trust Fund for projects that use the TFAR ordinance. The payment deposited into the AHTF will be used for affordable housing development in downtown or within three miles of the project receiving TFAR." The gap financing to the affordable housing trust funds would allow affordable housing providers -- who have the skill set and experience in affordable housing development and provision of resident services, particularly for special needs populations -- funding to be leveraged with other sources to provide even more affordable housing off-site than would be possible on-site in this costly Type 1 construction.

1. Biodiversity Screening

The biodiversity system designs the interface between the building and the environment in a way that not only helps humans but also provides for urban species. It involves a series of planted panels and concrete panels designed as habitats for butterflies. The planted panels are native species to Los Angeles that provide nectar and food for butterflies. Xeriscaping would be used to minimize water demand. The habitat would be optimized for Monarch butterflies, and it would also work for El Segundo Blue butterflies, an endangered species. The biodiversity system would include mosses chosen to purify air/cleanse auto exhaust fumes, and would help to cool hot air often present in Downtown, all while still allowing natural ventilation of the above grade parking component of the Project.

The biodiversity system provides public benefits and community benefits, including the following:

AMBROZ: Okay. So -- MS. BROTHERS: That anyone here has -- MR. AMBROZ: So to my colleagues, we have a major other projects and a major city-wide policy, and **we have no legal authority to do this.**" (Emphasis Added.)

- Remediation of urban air quality through plants
- Provision of waystation and feeding station for at-risk butterflies
- Tower becomes an "urban lung" for pollution eating moss to thrive
- Provides a beacon for biodiversity and prove through demonstration that architecture can restore habitats
- Reverses habitat destruction through proactive design
- Provides a vertical meadow for aesthetic pleasure of community

The biodiversity system also includes an educational component:

- Research, methods, and fabrication techniques will be available online
- School groups, in coordination with the Project's management would visit the building and learn about the façade and plaza

The public benefit component of the biodiversity and plaza component is emphasized by proposed entitlement condition C-1 which would require the plaza to "... be publically accessible between the hours of 6 a.m. and 10 p.m. Surely, if the City requires the plaza to be open such long hours to the public, there is an obvious and clear benefit to the public to which the Applicant must be able to receive PBP funds.⁸

The cost of the integrated biodiversity system/art component/plaza is significant. Each biodiversity panel size is 6'-6" x 16'-6"; the material is concrete approximately 6"-8" thick; and the biodiversity paneling would cover a surface area of approximately 18,850 square feet. The Terreform panels are approximately \$150 per square foot; the façade panels are approximately \$130 a square foot, keeping in mind both panels are part of the public art. This cost of \$280/square foot x 18,850 square feet plus the cost of the plantings, irrigation, and structural support for the biodiversity system, as well as the required full time maintenance for the life of the Project would cost well in excess of the PBP sought for this component of the Project.

B. Staff Report and Resulting Draft Conditions of Approval Incorrectly Calculate the Project's Lot Area Prior to Any Dedication

The Staff Report and accompanying conditions of approval incorrectly calculate the Project's PBP by using a net number for the lot area's square footage instead of a gross lot area number. LAMC Section 14.5.9C requires the PBP to be calculated based on "Lot Area (prior to any dedication)."

⁸ The plaza does not constitute a "required" element of the Project. No open space credit is sought or received for this area, nor is there any LAMC or DDG requirement for a ground floor plaza.

The Project's lot area prior to any dedication is 41,603 square feet as evidenced by Certified EIR, p. II-5:

“As depicted in the certified ALTA/ACSM Land Title Survey included in the Project's entitlement drawings as Sheets A-003 and A-004, **the Project Site constitutes 41,603 square feet in gross lot area**... [s]... The net Project site lot area, which subtracts out the ROW and easement areas, constitutes 38,097 square feet pursuant to the certified ALTA/ACSM Land title Survey included in the Project's entitlement drawings as Sheets A-003 and A-004.”

(Emphasis Added.)

The Project's ALTA/ACSM Land Title Survey and the Certified EIR both recognize that the Project's lot area prior to dedication for alley and right-of-way use is 41,603 square feet. The gross lot area is still lot area owned by the Applicant even if portions of the lot area are subject to easements and dedications. Because the LAMC calculates PBP based on lot area prior to **any** dedication, for purposes of the PBP and Transfer Payment, there is no condition on the timing of the dedication. Under the plain meaning of the LAMC, prior to any dedication means prior to any dedication, whether it has happened in the past or whether it will happen in the future. To this end, even the City's Zoning Code Manual and Commentary (4th Ed.) at p. 285-87 recognizes that under certain circumstances dedications that have already occurred may still be considered part of the lot area. To this end, the City is without legal authority to net out the dedications that burden the Project site as demonstrated in the legal description, title report, and grant deed.⁹ Using the City's newly proposed definition of lot area more than three years after the Project has been deemed complete, the City would cause the PBP to increase from \$15,373,620.65 to \$16,788,428, an increase of \$1,414,807.40.

C. The Housing Accountability Act Precludes the City from Using Its Net Lot Area Figure

Even if the City's redefinition of lot area prior to any dedication is correct, and it is not for the reasons cited above, the Housing Accountability Act, originally adopted in 1982, does not permit the City to impose a new definition and calculation of lot area prior to any dedication more than three years after the Project has been deemed complete. By redefining lot area prior to any dedication at the last minute, the City has failed to satisfy its legal obligation under Government Code § 65589.5(j)(2)(A) to:

“... provide the applicant with written documentation identifying the provision or provisions, and an explanation of the reason or reasons it considers the housing development to be inconsistent, not in compliance, or not in conformity as follows:
... (ii) [w]ithin 60 days of the date that the application for the housing development

⁹ In DIR-2015-2976-TDR-SPR the City Planning Commission and the City Council similarly both approved a TFAR project that included already dedicated area within that project's lot area.

project is determined to be complete, if the housing development project contains more than 150 units.”¹⁰

The City determined that the Project’s application was complete in January 2017 and until the Staff Report came out last week, there has been no written documentation identifying the reason the City considers the Project’s calculation of lot area prior to any dedication to be inconsistent with “applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the housing development project’s application is determined to be complete.”¹¹¹² Calculation of lot area prior to any dedication is a fundamental type of applicable, objective general plan, zoning, and subdivision standard and criterion subject to the Housing Accountability Act’s strict timelines.

The remedy under state law is very clear:

“If the local agency fails to provide the required documentation pursuant to subparagraph (A), **the housing development project shall be deemed consistent, compliant, and in conformity with the applicable plan, program, policy, ordinance, standard, requirement or other similar provision.**”

(Emphasis Added.) See Government Code § 65589.5(j)(2)(B).

Moreover, pursuant to AB 3194 (Daly) even if one could argue that the Project is not consistent, projects are eligible under the Housing Accountability Act if they comply with density permitted under the General Plan (notwithstanding the zoning). Government Code § 65589.5(j)(4) states:

“[f]or purposes of this section, a proposed housing development project is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the housing development project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan.”

The Project does not contain any General Plan inconsistencies. Had there been any inconsistencies, they presumably would have been identified in the approvals and findings that the City has already made in furtherance of the Project: (1) the adoption of the Certified EIR, (2) the ZAI approval; and the (3) VTTM approval.

To the extent there is any reasonable ambiguity about whether the Project complies with objective standards (and, as set forth *supra*, the Project complies with objective standards), any such ambiguity must be resolved in favor of the Applicant. Under the Housing Accountability Act, “a

¹⁰ This Section of the Housing Accountability Act predates SB 330 and is applicable to the Project.

¹¹ See Government Code § 65589.5(j).

¹² Planning has not provided any documentation whatsoever that the Project’s previous iteration of screening ran afoul applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the housing development project’s application is determined to be complete.

housing development project . . . shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project . . . is consistent, compliant, or in conformity.”¹³ Especially as the City Planning Commission and City Council have each already approved a similar TFAR project with the same lot area calculation methodology within the past few years, a reasonable person could conclude that the Project complies with the City’s objective standards.¹⁴ As such, the City cannot apply a new definition of lot area prior to dedications less than two weeks prior to the City Planning Commission hearing.

Since the Project satisfies “applicable, objective general plan and zoning standards and criteria, including design review standards, in effect at the time that the housing development project’s application is determined to be complete,”¹⁵ the City cannot apply this new definition of lot area prior to dedication that results in an increase in the proposed PBP by more than \$1,400,000 less than two weeks prior to the City Planning Commission’s hearing. Please note that the Housing Accountability Act provides a robust set of legal remedies for applicants or housing organizations seeking to enforce the act.¹⁶

V. Requested Changes to the Staff Report and Conditions of Approval

The Staff Report is extremely thorough and thoughtful; there are only a handful of surgical modifications necessary, particularly around TFAR and the PBP. In light of this letter, the Applicant recommends the following modifications:

- Delete Recommended Action #5 regarding convening the Public Benefits Trust Fund Committee due to the Applicant’s request to directly-provide all PBP.
- Provide a technical correction to the bike parking required and provided (p. A-11).
- Correct Staff Report pp. A-13 to A-15 to reflect the lot area prior to any dedication as 41,603 square feet; correct the PBP to reflect the 41,603 square foot lot area prior to any dedication.
- Correct the misstatement on p. A-14 that the PBP for the plaza would be “precedent-setting.” The City granted the Wilshire Grand project, Case No. CPC-2009-3416-TDR-CUB-CU-CUW-ZV-SN-DA-ZAD-SPR-GB, **millions of dollars** for its elevated public plaza even though it is ringed by fortress-like stairs consuming much of the plaza area and often subject to uncomfortable glare from that project’s highly reflective curtain wall. The Emerald project, at 14th Street and Olive Street, also recently received directly-provided

¹³ Gov. Code § 65589.5(f)(4) (emphasis added).

¹⁴ See DIR-2015-2976-TDR-SPR.

¹⁵ See Gov. Code § 66589.5(j).

¹⁶ See, e.g., Gov. Code § 65589.5(k)-(m).

PBP for its on-site public plaza that is not “substantial” in size nor “connective” with “public access.” Substantial size and connective public access are not requirements of directly-provided PBP pursuant to Article 14.5 of the LAMC, nor are they elements of previous recipients of the directly-provided PBP.

- Modify condition 3a on p. C-1 to requests the \$15,373,620.65 PBP all be directly provided as follows: \$7,000,000 City’s Affordable Housing Trust Fund (“AHTF”) for projects within three miles of the Project site; \$3,000,000 CD 14 Public Benefits Trust Fund for affordable housing within three miles of the Project site; \$200,000 for South Park Business Improvement District (“SPBID”) for a dog run and parklets; \$5,173,620.65 for the integrated biodiversity system/art component/plaza.
- Modify condition 3c on p. C-1 to reflect 100 percent of the PBP as directly-provided.
- Ensure that the corrected March 12, 2020 drawings replace the existing Exhibit A (Condition C1 on p. C-5).
- Add the word “outdoor” prior to “common open space areas” to reduce any ambiguity regarding indoor and outdoor open space areas (Condition C5 on p. C-5) for the mid-level tower amenity areas.
- Tree Wells (Condition 8 on p. C-5) states: “**Tree Wells.** The minimum depth of tree wells and planters on the rooftop, any above grade open space, and above a subterranean structure shall be as follows:
 - a. Minimum depth for trees shall be 42 inches.
 - b. Minimum depth for shrubs shall be 30 inches.
 - c. Minimum depth for herbaceous plantings and ground cover shall be 18 inches.
 - d. Minimum depth for an extensive green roof shall be 3 inches.

When the design gets to the point of pulling a building permit, the Applicant, in conjunction with the landscape architect and structural engineer, would determine the appropriate soil depth for trees based on size, species, and environmental conditions, etc. As a result, requiring a minimum depth one footer greater than the minimum that LAMC Section 12.21G.2(a)(3) requires would take away flexibility to determine what is the best for trees and the structure at the Project site. As such, the Applicant requests modification of Condition 8a as follows: “Minimum depth for trees shall be 42 30 inches.”

- Delete condition C4 on p. C-7. In several respects, this condition relating to Cultural Resources conflicts with Certified EIR mitigation measure Cult-MM-2.
- Delete Condition E3 on p. C-8. A covenant is already required pursuant to Condition B-22 on p. C-4. Further, delete “Within 30 days of the effective date of this grant” and replace

with “Prior to building permit issuance,” in the first line of Condition B-22. Duplicate covenants recorded against title for the same purpose are unnecessary.

- Modify TFAR Finding c on p. F-9 to reflect the updated PBP Transfer Plan.

VI. Conclusion

The Applicant is very excited to bring this Project to fruition. It promises to build sorely needed housing while providing millions of dollars in substantial public benefits. Staff has been very thorough and diligent. With some small, but very important tweaks to the proposed conditions of approval, the City Planning Commission could help make this housing development project a landmark addition to our City.

Best regards,

HOLLAND & KNIGHT LLP



Ryan M. Leaderman

Attachments

cc: Milena Zasadzien
Elliott Kahn
Adam Tartakovsky
Andrew DeWitt
Alex Irvine

CITY PLANNING COMMISSION

Thursday, September 13, 2018

LOS ANGELES CITY COUNCIL CHAMBER, ROOM 340
200 NORTH SPRING STREET, LOS ANGELES, CA 90012

Item No. (8) VTT-73568-1A
CEQA No. ENV-2015-2026-EIR; SCH No. 2015101073

Related Case: CPC-2015-2025-DB-MCUP-CU-SPR

Item No. (9) CPC-2015-2025-DB-MCUP-CU-SPR
CEQA No. ENV-2015-2026-EIR; SCH No. 2015101073

Related Case No. VTT-73568-1A

Samantha Millman, President
Vahid Khorsand, Vice President
David H. Ambroz, Commissioner
Caroline Choe, Commissioner
Renee Dake Wilson, AIA, Commissioner
Karen Mack, Commissioner
Marc Mitchell, Commissioner
Veronica Padilla-Campos, Commissioner
Dana Perlman, Commissioner
Vincent P. Bertoni, AICP, Director
Kevin J. Keller, AICP, Executive Officer
Lisa M. Webber, AICP, Deputy Director
James K. Williams, Commission Executive Assistant I

Applicant: Bill Myers, CRE-HAR Crossroads SPV, LLC
Representative: Kyndra J. Casper, DLA Piper, LLP

Reported by (audio portion): Kate McAvoy, CSR No. 13996,
Donna J. Rudolph, CSR No. 9652

1 CHAIR MILLMAN: And the right of return that they
2 have spelled out?

3 MS. PADILLA-CAMPOS: No, in addition. So it's 105
4 very low. In addition, the current RSO tenants get to
5 return with a private lease to have the 3 percent increase
6 every --

7 CHAIR MILLMAN: My only concern with that is that
8 they may choose to do -- the VLI housing may be more affordable
9 to them than their current rent. And so they may choose the
10 safety of having that -- covent of housing rather than
11 going through the alternative, which is to take their
12 current rent with the 3 percent increases. Because I feel
13 like --

14 MS. PADILLA-CAMPOS: Then that -- then that would
15 be their choice.

16 CHAIR MILLMAN: Right.

17 MS. PADILLA-CAMPOS: But that is where I stand.

18 MS. BLEEMERS: Heather Bleemers with the Department
19 of City Planning.

20 If I might just add, the city cannot enforce
21 private agreements. And there is no nexus to require
22 additional affordable housing units here unless the
23 developer agrees to that. We could recommend a condition
24 where the applicant will continue to work with the Council
25 District to determine the best way forward with regard to

1 returning of those current tenants.

2 CHAIR MILLMAN: Thank you.

3 Veronica, do you have anything else that you'd
4 like to add? Do you have any comments on the -- on the
5 signage? Traffic?

6 MS. PADILLA-CAMPOS: I don't have any comments on
7 the signage. Or I think the questions I had on the traffic
8 mitigation were answered.

9 CHAIR MILLMAN: Great.

10 MS. PADILLA-CAMPOS: And if the proper term is not
11 private lease agreement, because we are not allowed to do that,
12 then I would like to discuss further options on how to term that.
13 But the -- I'm staying with the position I had initially.

14 CHAIR MILLMAN: Thank you.

15 Karen?

16 MS. MACK: So, I mean one of the -- one of the
17 exciting things about this development is that it touches,
18 you know, from the homeless community to, you know, people
19 who are very well off in the city. And, you know, it's
20 really exciting. I think the challenge in general when we
21 think about the housing issue in Los Angeles is not just,
22 you know, these ten cities that we see all over and, you
23 know, that being the visible marker of the impact on the
24 most vulnerable. But really thinking about the middle
25 class.

1 You know, it's the middle class that really, I
2 think, provide the heartbeat of a city.

3 And when you talk about RSO units, that's who you're
4 talking about in this real estate market. And so I think
5 that's why we feel those units are so -- you know, we're --
6 and I -- I want to just say how much I appreciate what this
7 developer has done already, and I'm just wondering what they
8 might be willing to do in this regard so that we are
9 protecting these like priceless RSO units that are part of
10 our housing inventory in Los Angeles.

11 The very low income folks, that's great that
12 we're getting 105 for them, but we're losing 82 RSO units for
13 middle class people in Los Angeles. You know, it's -- it's
14 incredible how many people who I talked to who are, you
15 know, my colleagues, friends who are teachers, cultural
16 workers who can't -- who are having a hard time affording
17 living in the city.

18 So I think, you know, when we're -- and I -- I
19 want to be respectful of what -- you know, I hoping maybe that
20 the developer can respond and, you know, I don't want to
21 like, you know, try and twist the arm, but if there's
22 anything we can do to preserve those RSO units, I would
23 really, really appreciate it because I feel like, you know,
24 that it's -- it's very -- it pains me to think about these
25 RSO units coming off the market.

1 So I -- I think I'll stop there.

2 MS. MILLMAN: Question for developers. This is
3 Samantha Millman.

4 In the private agreement that you're making for
5 right of return, did I hear you right that the annual
6 increases are capped? Much like an RSO unit?

7 MS. CASPER: Correct. It will be virtually as if
8 they never left their RSO units.

9 CHAIR MILLMAN: Okay. And, David, you have
10 something?

11 MR. AMBROZ: Yeah, I just have a point for
12 clarification, Heather and/or Amy.

13 We have no nexus to require additional affordable
14 housing. Therefore, we cannot do that. Am I -- am I
15 hearing you correctly?

16 MS. BROTHERS: (Nods head.)

17 MR. AMBROZ: Yeah, the City Attorney's shaking her
18 head. Can you say that in your microphone Amy?

19 MS. BROTHERS: Deputy City Attorney, Amy Brothers.
20 There's not a nexus.

21 MR. AMBROZ: Okay. So --

22 MS. BROTHERS: That anyone here has --

23 MR. AMBROZ: So to my colleagues, we have a major
24 other projects and a major city-wide policy, and we have no
25 legal authority to do this. I appreciate the conversation,