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April 30, 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 Applicant appreciates City Staff’s hard work over the last several years on the Project to make this 70-story mixed-use Environmental Leadership Development Project a reality. On behalf of the Applicant, we submit this letter in response to a few points identified in Staff’s Additional Information and Technical Modifications letter, dated March 10, 2020 (“Staff’s Technical Modification Letter”) and Staff’s Recommendation Report (“Staff Report”).

I. Public Benefit Payment

The Applicant requests that the City Planning Commission (“CPC”) recommend to the City Council direct provision of 100 percent of the Public Benefit Payment pursuant to Los Angeles Municipal Code (“LAMC”) Section 14.5.9.B which states:

“As approved by the City Council, a Public Benefit Payment may be provided by any combination of the payment of monies to the Transfer of Floor Area Rights Public Benefit Payment Trust Fund (“Public Benefit Payment Trust Fund”) or by the direct provision of Public Benefits by the Applicant; **provided, however, that without City Council approval** at least 50% of the Public Benefit Payment must consist of cash payment by the Applicant to the Public Benefit Payment Trust fund.” (Emphasis Added.)

In the Staff Report, City Staff acknowledged this provision, stating:

“The Public Benefit Payment requires that at least 50 percent of the payment be provided as a cash payment by the Applicant to the Public Benefit Trust Fund, **unless otherwise approved by City Council**. The remaining 50 percent of the payment may be provided by the direct provision of Public Benefits by the Applicant.” (Page A-13 of Staff Report) (Emphasis Added.)

To this end, the Applicant has prepared and submitted a revised TFAR Transfer Plan consistent with City Staff’s calculation of a Public Benefit Payment of \$16,788,428. The Applicant respectfully requests that the CPC act pursuant to LAMC Section 14.5.6B(4) to recommend to the City Council that the Project directly provide the entirety of the Public Benefit Payment.

A. Updated Amounts of the Public Benefit Payment

The Applicant requests the CPC recommend to the City Council the following allocations of the Public Benefit Payment:

Recipient and Project Name	Amount	Percentage of Public Benefit
City’s Affordable Housing Trust Fund	\$8,414,807.35	50%
CD-14 Affordable Housing Fund	\$3,000,000.00	18%
Dog Run and Parklets in South Park (South Park BID)	\$200,000.00	1%
On-Site Integrated Biodiversity Habitat System, Public Art Component, and Public Plaza	\$5,173,620.65	31%

Under this Transfer Plan, the Project would include a combined total of \$11,414,807.35 (68%) of the total Public Benefit Payment toward affordable housing with the remaining \$5,373,620.65 (32%) toward enhancing the public realm; public art; and the surrounding environment within the vicinity of the Project site.

B. Justifications for the On-Site Direct Provision

Provision of open space is a high priority for the Project where far more open space will be provided than required. For example, all 794 dwelling units would have balconies. The LAMC only allows 50 square feet of open space credit for private balconies. Here, the LAMC only gives credit for 37,700 square feet of private open space for the balconies even though the private

balconies consist of 161,349 square feet in open space.¹ When combined with the 60,952 square feet of credited common open space, **the Project would provide 222,301 square feet of open space, over 5.1 acres of on-site usable open space on the less than one acre Project site!**

The ground floor plaza, which is not credited open space – and is not included in the square footage figures above -- would provide additional uncredited, but critical, open space with programmed art, landscaping, and amenities. 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.

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

The biodiversity system provides public benefits and community benefits, including: 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; proves through demonstration that architecture can restore habitats; reverses habitat destruction through proactive design; and provides a vertical meadow for aesthetic pleasure of the community.

The biodiversity system also includes an educational component: research, methods, and fabrication techniques will be available online; and school groups, in coordination with the Project’s management would visit the building and learn about the façade and plaza.

For the life of the Project the cost of construction, maintenance, and security will all be borne by the Applicant thereby reducing demand and costs on the public for the provision of these public amenities.

II. Lot Area (Prior to Any Dedication)

LAMC Section 14.5.3 defines “Lot Area” as “the total horizontal area within the lot lines of a lot (prior to any dedication).”

In City Staff’s Technical Modification Letter, City Staff has interpreted “prior to any dedication” to refer to “any dedication which may also be required as a part of the project or entitlement

¹ ODA, Correspondence from Matthew Boker to Ryan Leaderman, April 28, 2020.

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requests,” and not to the plain and unambiguous meaning of “prior to any dedication” -- which may have occurred prior to the Project or entitlement requests.

While there is no ambiguity with the plain meaning of the words “prior to any dedication,” and applicants should be able to rely on the presumption that the plain meaning of words control without the need for interpretation, in the interests of moving the Project forward, the Applicant has chosen to not dispute Staff’s interpretation. To this end, as indicated previously, the Applicant has already submitted a revised TFAR form using the City’s current application form for clarification in the case file.

The Project, with its abundant amount of open space, much of it entirely uncredited, would provide a transformative addition to the burgeoning South Park community with an array of public benefits. We look forward to partnering with the City to bring this world class Project to fruition despite these uncertain times.

Best regards,

HOLLAND & KNIGHT LLP

A handwritten signature in blue ink, appearing to read "Ryan Leaderman".

Ryan M. Leaderman

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