

January 16, 2019

Ms. Lezlie Kimura Szeto, Manager  
Sustainable Communities Policy & Planning Section  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: Greenhouse Gas Emissions Offset Approach for the Hollywood & Wilcox Project

Dear Ms. Kimura Szeto:

This letter is provided as a supplement to the application filed by 6436 Hollywood Boulevard LLC and 1624 Wilcox Ave LP (the "Applicant"), who proposes to develop the Hollywood & Wilcox Project (the "Project") in the Hollywood community in the City of Los Angeles.

As you know, the Applicant has applied for certification by the Governor as a leadership project under the Jobs and Economic Improvement Through Environmental Leadership Act of 2011, as amended (collectively, "AB 900" or the "Act"). The application includes projected emissions for the Project that show certain projected net additional emissions of greenhouse gases ("GHG") as a result of the construction of the Project and as a consequence of Project operations.

The Applicant has committed to no net increase in construction and operation-related GHG emissions. Consistent with policy recommendations included in California Air Resources Board's ("CARB") California 2017 Climate Change Scoping Plan,<sup>1</sup> while offsets are a potential way to mitigate GHG emissions, other options will continue to be explored as well to the extent feasible, with the following order of preference: (1) project design feature/ on-site reduction measures; (2) off-site local reductions; (3) off-site regional reductions, and (4) offset credits issued by an accredited registry, such as the American Climate Registry (ACR), Climate Action Reserve (CAR), and Verra (formerly the Verified Carbon Standard or VCS). To the extent offsets are used to mitigate GHG emissions, prior to issuance of any Temporary Certificate of Occupancy for any building in the Project, the Applicant or its successor shall enter into one or more contracts to purchase carbon credits issued by an accredited carbon registry, which contract, together with any previous contracts, shall evidence the purchase of carbon credits in an amount sufficient to offset the operational emissions attributable to each building constructed within the Project over the analysis horizon of 30 years ("Operation Emissions"). Prior to execution of the contract(s), the Applicant shall provide the lead agency (the City of Los Angeles) a calculation of the net additional

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<sup>1</sup> *The California 2017 Climate Change Scoping Plan is available at: [www.arb.ca.gov/cc/scopingplan/scoping\\_plan\\_2017.pdf](http://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf).*

operational GHG emissions according to the methodology followed in the *Greenhouse Gas Emissions Methodology and Documentation for the Hollywood & Wilcox Project* document. The Applicant shall agree to promptly submit copies of executed contracts for purchased carbon credits to CARB and to the Governor's office. The commitments to enter into contracts to offset net additional GHG emissions will be incorporated as a condition of Project approval under the Public Resources Code Section 21183(e), which is binding and enforceable by the lead agency.

The Applicant proposes to meet the requirement set forth in California Public Resources Code Section 21183(c), which requires that the Project demonstrate that it will not result in net additional emissions of GHG, through the implementation of GHG-reducing Project Design Features and/or acquisition of voluntary carbon credits sufficient to offset all projected additional emissions, in the following manner:

1. Prior to issuance of a Temporary Certificate of Occupancy for the Project, the Applicant shall commit to providing to the lead agency, the City of Los Angeles, a calculation of the net additional emissions resulting from the construction of the Project (the "Construction Emissions"), to be calculated in accordance with the methodology agreed upon by CARB in connection with the AB 900 certification of the Project (the "Agreed Methodology"). The Applicant shall provide courtesy copies of the calculations to CARB and the Governor's Office promptly following transmittal of the calculations to the City of Los Angeles. The Applicant shall enter into one or more contracts for the implementation of GHG-reducing Project Design Features and/or purchase voluntary carbon credits from an accredited carbon registry in an amount sufficient to offset the Construction Emissions. The Applicant shall provide courtesy copies of any such contracts to CARB and the Governor's Office promptly following the execution of such contracts.
2. Prior to issuance of any Temporary Certificate of Occupancy for the Project, the Applicant or its successor shall commit to entering into one or more contracts to purchase carbon credits from an accredited carbon registry, which contract, together with any previous contracts for the purchase of carbon credits, shall evidence the purchase of carbon credits in an amount sufficient to offset the Operational Emissions attributable to the Project, and shall be calculated on a net present value basis for a 30-year useful life.

Prior to execution of the contract(s), the Applicant and its consultant shall calculate the Operational Emissions, in accordance with the methodology described in the Applicant's "Application for Environmental Leadership Development Project," specifically the "Greenhouse Gas Emissions Methodology and Documentation" prepared by Eyestone Environmental.

The City will issue a Temporary Certificate of Occupancy upon receipt of the following: (1) a fully executed copy of the carbon offset purchase agreement(s); (2) a final CARB Determination that the Project will not result in any net additional GHG emissions; and (3) a copy of OPR's Certification Letter for the Project.

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3. The following Project Design Features were accounted for in the AB 900 application for purposes of reducing GHG emissions and are, therefore, included as commitments in this letter.
- A. The design of the new buildings shall incorporate features to be capable of achieving Gold certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED)-BD&C® or LEED-NC® Rating System using the LEED v4 rating system. Specific sustainability features that are integrated into the Project design to enable the Project to achieve at least LEED® Gold certification would include the following:
    - a. The Project will promote alternatives to conventionally fueled automobiles by providing 10 percent of the total code-required parking spaces to be equipped with EV charging stations and/or outlets for plugin.
    - b. The Project will optimize building energy performance with a 22 percent reduction from the LEED baseline consistent with LEED requirements.
    - c. The Project will reduce water consumption by 35 percent for indoor water and 30 percent for outdoor water from the LEED usage baseline.
    - d. The Project will provide on-site recycling areas with containers to promote the recycling of paper, metal, glass, and other recyclable materials and adequate storage areas for such containers.
  - B. The residential units within the Project shall not include the use of natural gas-fueled fireplaces.
  - C. The Project will include the equivalent of 105 kilowatts of photovoltaic panels on the Project Site.
  - D. A transportation demand management (TDM) program would also be implemented to reduce the use of single occupant vehicles by increasing the number of trips by walking, bicycle, carpool, vanpool, and transit. The combined effect of the various strategies implemented as part of the TDM program would result in a 15 percent reduction in daily trip generation by offering services, actions, specific facilities, etc., aimed at encouraging use of alternative transportation modes (e.g., transit, bus, walking, bicycling, carpool, etc.). The TDM program would include the following strategies:
    - a. Transportation Information Center, educational programs, kiosks and/or other measures.
    - b. Promotion and support of carpools and rideshare.
    - c. Bicycle amenities such as racks.
    - d. Parking incentives and support for formation of carpools/vanpools.

- e. On-site TDM coordinator.
- f. Mobility hub support
- g. Contribution to the City's Bicycle Plan Trust Fund for implementation of bicycle improvements in the Project area.
- h. Participate as a member in the future Hollywood Community TMO, when operational.

The improvement measure commitments outlined herein will be incorporated into the Project's Final Environmental Impact Report (FEIR) as Project Design Features or mitigation measures. The Applicant will agree to comply with all Project Design Features and mitigation measures contained in the FEIR through the Project's Mitigation Monitoring and Reporting Program, which represents a binding and enforceable agreement with the Project's lead agency, the City of Los Angeles.

Should you have any questions, please do not hesitate to call Mario Palumbo at (212) 875-4900.

Sincerely,

**6436 Hollywood Boulevard LLC**

By: California Manager Corp., Manager

By: Arnold S. Lehman  
Arnold S. Lehman, Vice President

**1624 Wilcox Ave LP**

By: Princeton Leasing LLC, General Partner

By: California Manager Corp., Manager

By: Arnold S. Lehman  
Arnold S. Lehman, Vice President

cc: City of Los Angeles, Department of City Planning  
Mark Hagmann, P.E., Air Quality Director, Eyestone Environmental LLC