

**ATTACHMENT A**  
**2511-2517 W. SUNSET BOULEVARD**  
**MARCH 16, 2023**

**I. PROJECT OVERVIEW/REQUEST.**

Six Peak Development, LLC (the “Applicant”) constitutes the party currently in escrow to purchase the real property located at 2511-2517 W. Sunset Boulevard, Los Angeles, CA 90026 (the “Property”), as shown in more detail in the plan submitted concurrently with this application. The Property contains four legal lots comprising in total approximately 27,055 square feet of lot area. It is situated on the north side of Sunset Boulevard between N. Benton Way and N. Coronado Street. The Property is currently improved on its eastern end with a one-story commercial structure used as a grocery/liquor store (the “Existing Structure”) as well as a surface parking lot covering most of the rest of the land. A small, irregular enclosure is situated on the western end of the Property, which houses a small recycling business.

The Applicant proposes to utilize the Property to construct a five-story, mixed-use project comprised of a 121-unit multi-family apartment building together with two ground floor commercial spaces totaling approximately 3,434 square feet along Sunset Blvd., served by two levels of subterranean parking (collectively, the “Project”). The Project includes multiple amenity spaces, including a ground level courtyard, a roof deck, a gym, a yoga studio and co-working lounges. The residential units to be built within the Project include a mix of studio, 1-bedroom and 2-bedroom apartments. The Project will include the demolition and removal of the Existing Structure, the existing surface parking lot and the small recycling operation. The Project and the Property are discussed in greater detail below.

The Applicant will utilize Transit Oriented Communities (“TOC”) Tier 3 incentives, pursuant to Los Angeles Municipal Code (“LAMC”) Section 12.22.A.31 and the implementing guidelines approved by the City’s Planning Commission (the “TOC Guidelines”). The base incentives sought are: a 70 percent increase in density, an approximately 3.75:1 floor area ratio (“FAR”), and a minimum parking ratio of 0.5 space for every dwelling unit. Three additional incentives are sought: (1) utilization of RAS3 setbacks in lieu of the otherwise applicable setbacks, (2) a 22-foot increase in height, and (3) a 25 percent decrease in open space. The Project also requires Site Plan Review, pursuant to LAMC Section 16.05.C. In order to receive these above-referenced TOC incentives, the Project will set aside 13 units (10 percent of total) for extremely low-income households (the “ELI affordable units”).

The Property is located in the Silver Lake – Echo Park – Elysian Valley Community Plan (the “Community Plan”). One of the Community Plan’s policies is to “Maintain an adequate

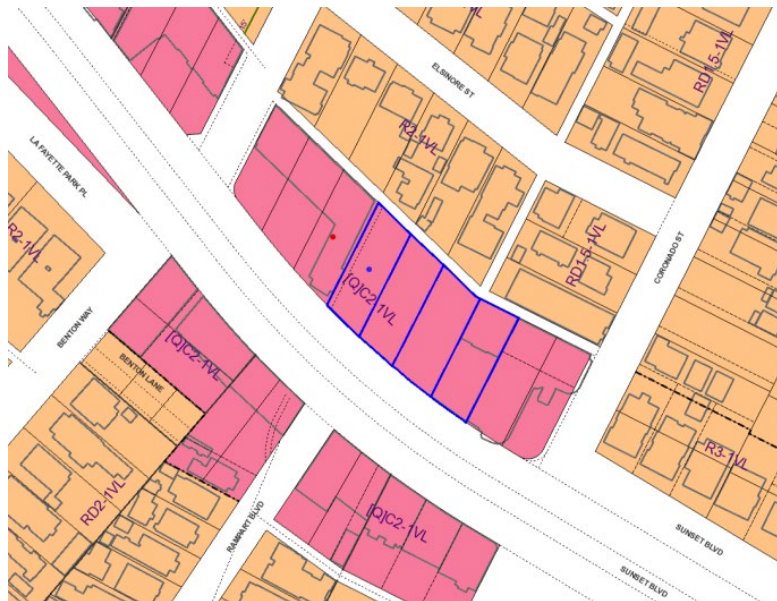
supply and distribution of multiple family, low income and special needs housing opportunities in the Community Plan Area.”<sup>1</sup> The Project will create 121 new dwelling units at an underutilized commercial location (currently housing only a small grocery/liquor store and a small materials recycling business). The Project constitutes a mixed-use, smart-growth development that does not displace any existing dwelling units. The Project, therefore, is a net addition of 121 dwelling units (including 13 affordable units) to the City’s housing stock.

## **II. BACKGROUND**

### **A. The Property**

The Property (shown in **Figure 1**) contains approximately 27,055 total square feet. Of the 27,055 square feet of total lot area, approximately 4,336 square feet are utilized by the Existing Structure, with the remainder mostly covered by the surface parking lot. A small, irregular enclosure is situated on the western end operating as a small materials recycling business. The northern portion of the Property is unsurfaced and slopes down to an alley running north of and parallel to Sunset Blvd. The alley provides access to the Existing Structure’s enclosed loading area via N. Coronado Street.

**FIGURE 1**



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<sup>1</sup> Silver Lake – Echo Park – Elysian Valley Community Plan, Policy 1-1.1, August 2004.

The Property qualifies for Tier 3 TOC incentives because it is located approximately 0.4 miles (2100 feet) from the intersection of Sunset Boulevard and Alvarado Street. This intersection contains two bus routes with a service interval of 15 minutes or less during the morning and afternoon peak commute periods. Specifically, the intersection is served by LA Metro Bus Route 4 and LA Metro Bus Route 603, as well as by LA Metro Bus Route 2

### **B. Zoning.**

All the Property's lots are zoned [Q]C2-1VL, with a Community Plan designation of Community Commercial.

The [Q] Condition imposes various design and use regulations. The Project complies with the design regulations and does not propose any of the prohibited uses. The C2 zone permits both commercial and multifamily residential uses with a density of one dwelling unit for every 400 square feet of lot area. C2-zoned properties in the 1 height district are typically limited to a maximum 1.5:1 FAR and are not limited in project height or stories. The VL in the Property's zoning designation, however, restricts maximum height to 45 feet and 3 stories for mixed use projects. The Project proposes an FAR base incentive of approximately 3:75:1 pursuant to TOC Guidelines Section VI.1.b.iii., and an additional height incentive to allow increased height of 22 feet and two stories pursuant to TOC Guidelines Section VII.1.g.i.2. C2-zoned properties are not required to provide a front yard. While C2-zoned properties typically must provide the same side and rear setbacks as R4 zoned properties for residential levels,<sup>2</sup> the Project will utilize an additional incentive pursuant to TOC Guidelines Section VII.1.a.i to instead be required to provide reduced rear and side yard setbacks in accordance with RAS3 zone standards.

### **C. Surrounding Properties**

Sunset Boulevard abuts the Property to the north, with commercially zoned properties situated across the Boulevard. These intervening land uses provide several hundred feet of separation between the Property and residential neighborhoods to the south and west.

Residential neighborhoods to the north and east are more proximate within easy, safe walking distance. The Project, once occupied, will become part of this residential north-of-Sunset neighborhood.

### **D. Streets and Circulation**

Sunset Boulevard – fronts the Project to the south and is the Project's primary frontage. Sunset Boulevard has been designated Avenue I roadway by the 2035 Mobility Plan. Avenue I

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<sup>2</sup> LAMC Section 12.14.C.2 and 12.14.C.3

roadways are recommended to provide 100-foot rights of way and 70-foot roadway widths. The Property has provided 50 feet to its Sunset Boulevard frontage and is, therefore, fully dedicated.

Unnamed alley – abuts the Property to the north. This alley will require a 4-foot dedication per the 2035 Mobility Plan.

### **III. PROJECT DESCRIPTION**

The Project will consist of a five-story building with two floors of subterranean parking. Maximum building height is approximately 79 feet from the lowest point on grade to the highest roof level. The Project contains approximately 93,123 square feet of floor area, for a FAR of approximately 3.39, slightly less than the 3.75:1 allowed by the TOC Guidelines..

The Project is basically a rectangular-shaped building that angles to follow the shape of the Property's boundaries. The design and aesthetics of the Project will be tasteful and attractive in all respects. The pedestrian entrance to the Project (through its Lobby) is provided via Sunset Boulevard. Two separate commercial spaces (totaling approximately 3,434 square feet) are situated on the ground floor along Sunset Boulevard near the lobby and enhance the Project's frontage and provide high-quality, convenient commercial benefits to Project residents, other neighborhood residents and public visitors generally. These commercial spaces will also stimulate pedestrian activity along Sunset Boulevard.

The Project provides the necessary parking after applying TOC's permissible reductions. Per TOC Guidelines Section VI.2.a.i.4, Tier 3 required parking for all residential units shall not exceed 0.5 spaces per unit. As the Project qualifies as a Tier 3 project, it is required to provide 0.5 residential parking spaces for each unit, for a total of 61 parking spaces. The Project will, in fact, provide a total of 75 spaces total for the residential component. Additionally, the Project's 3,434 square feet of retail floor area requires 5 non-residential parking spaces, after applying the TOC Guidelines 30 percent commercial parking reduction.<sup>3</sup> Therefore, the total spaces to be provided by the Project will be 80. These totals meet TOC's residential parking requirements and LAMC's non-residential parking requirements.

All vehicular ingress and egress to/from the Project's subterranean, two-story parking area will be provided via the alley that runs parallel to Sunset Boulevard. Parking Level 1 will provide a total of 42 parking spaces. Parking Level 2 will provide a total of 38 parking spaces.

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<sup>3</sup> LAMC Section 12.21.A.4(x)(3)6.

Additionally, the Project will provide a total of 87 long-term bicycle parking spaces (85 residential and 2 commercial) and 11 short-term spaces (9 residential, 2 commercial).

The Project will incorporate a design aesthetic that creates visual interest by alternating materials across its facades. Stepbacks, balconies and other design features create articulation and diffuse scale and massing. The Project includes a ground-floor, central courtyard near the lobby and retail areas.

The anticipated unit mix for the Project's 121 dwelling units includes 73 studio apartments, 36 one-bedroom apartments and 12 two-bedroom apartments. 19 units will also include mezzanine spaces. 13 of the 121 dwelling units will be reserved for as ELI affordable units. The remaining 108 dwelling units will be market rate. The 13 ELI units will be interspersed throughout the Project as required by City Policy.

The Project requests a TOC incentive to utilize RAS3 side and rear yard requirements. A five-story structure in the C2 zone would typically require a 17-foot rear yard and 8-foot side yards. No front yard is required in the C2 zone. The Project will provide fifteen-foot setbacks at its rear and five-foot side yard setbacks at its eastern and western sides.

A project with the aforementioned unit mix would typically be required to provide 12,550 square feet of open space. The Project requests a TOC additional incentive to reduce the required open space by approximately 25 percent (which is permitted for a Tier 3 project pursuant to TOC Guidelines Section VII.1.a.i to a minimum of 9,413 square feet. The Project, however, will provide a total of 9,919 square feet of open space which is compliant with and slightly more than the additional TOC additional incentive permissible reduction.

#### **IV. REQUESTED ACTIONS**

1. The Applicant is utilizing TOC incentives pursuant to LAMC Section 12.22.A.31, as implemented by the TOC Guidelines. The Project will request TOC base incentives: to increase density by approximately 70 percent, a Project FAR of approximately 3.39:1(3.75:1 permitted), and a residential parking ratio of 0.5 space for every dwelling unit.
2. The Project requests three additional incentives, pursuant to LAMC Section 12.22.A.31 and the TOC Guidelines to: (1) utilize RAS3 side and rear yard requirements in lieu of the yard requirements described in LAMC Sections 12.14.C and 12.11.C; (2) increased height of 22 feet and two stories in lieu of otherwise applicable height requirements ; and (3)

reduce the required open space by up to 25 percent, in lieu of the open space requirements described in LAMC Section 12.21.G.

3. The Project also requests Site Plan Review, pursuant to LAMC Section 16.05.C

## V. FINDINGS

### A. Findings of Fact for TOC Additional Incentives, Pursuant to LAMC Section 12.22.A.31(e)

LAMC Section 12.22.A.31(e) requires that TOC projects follow procedures set forth in LAMC Section 12.22.A.25(g). No findings of fact are required for the Project's base density, FAR incentive and parking incentives, as base incentives are considered ministerial.

The Director of Planning shall approve additional incentives provided by the TOC Guidelines and requested by the Applicant, unless the Director finds that:

- 1 The Incentive is not required in order 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 Project will utilize, the increased height incentive, RAS3 yard requirements and open space reduction incentive because the inclusion of the ELI Affordable Units would be otherwise economically infeasible. As a privately financed project not seeking government funds, the Project must satisfy stringent lending requirements, including a debt service coverage ratio driven by the Project's stream of rental income. Additional market rate units are necessary to subsidize the loss of revenue attributable to the severely restricted rents for the Project's ELI Affordable Units. The Project proposes to include 13 ELI affordable units, accounting for 10 percent of the Project's total density. Not only do the ELI Affordable Units add substantially and commensurately to building costs, operating costs and debt, they also have strictly limited rental rates determined by applicable law. Increased construction costs, maintenance costs and debt, combined with severely reduced rents could preclude the Project from obtaining conventional financing. If the side and rear yards were extended as required by LAMC Section 12.14.C, additional market units would be smaller or completely lost. Without the requested decrease in open space, additional market rate dwelling units would be lost. Similarly, without the requested height increase, the additional market rate units allowed by the TOC base density increase could not be constructed. Removing levels 4 and 5 from the Project would result in a loss of 48 dwelling units and two recreation rooms. The loss of these units would substantially hinder the Project's economic return to the extent that the delivery of 13 ELI Affordable Units would be economically infeasible. The return from the additional market rate units, which can only be provided with the requested incentives is economically essential to the Project. Without the income from the additional market rate rental units made possible by the TOC incentives, the Project would stall for lack of financing, particularly in a rising interest rate environment where securing financing is more and more

challenging. Accordingly, the requested incentives are required and, in fact, essential for the Project to provide for the ELI Affordable Units.

Pursuant to TOC Guidelines Section VII a TOC project must utilize the TOC menu of incentives in lieu of the on-menu incentives listed in LAMC Section 12.22.A.25. The City has previously concluded that on-menu density bonus incentives pursuant to LAMC Section 12.22.A.25 are necessary to off-set the various costs involved in providing affordable units. A memorandum from Michael LoGrande, dated October 16, 2014 (the “LoGrande Memo”), addresses the degree of analysis required to justify on-menu incentives pursuant to LAMC Section 12.22.A.25(f). The LoGrande Memo concludes that “on-menu incentives have been pre-evaluated to ensure they all provide for housing costs.” While the TOC menu of incentives slightly differs from the incentives listed in LAMC Section 12.22.A.25(f), the TOC incentives were similarly pre-selected as necessary to off-set costs of providing affordable units. These facts strongly suggest that the same substantive finding set forth in the LoGrande Memo also appropriately applies to TOC additional incentives.

**2 The Incentive will not 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. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.**

Confronted with critical shortages of affordable housing locally and statewide, applicable law narrowly defines the circumstances under which an affordable housing project may be conditioned or disapproved. Only a “Specific Adverse Impact” on public health or safety is grounds for disapproval. TOC Guidelines Section V.1.b requires projects that request TOC additional incentives to follow the procedures outlined in LAMC Section 12.22.A.25. Section 12.22.A.25(b) defines a Specific Adverse Impact as a “significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.” Notably, both City and State law provide that “inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.”

None of the requested incentives, namely, the yard adjustments, the increased height and the open space reduction will result in Specific Adverse Impacts. Due to the existence of Sunset Boulevard to the south of the Property, as well as the commercially zoned land running along the Boulevard, the residential neighborhoods to the south and west of the Project are several hundred feet distant. No Specific Adverse Impact can reasonably be foreseen given this buffering.

In contrast, the residential neighborhoods to the north and east are more proximate, within easy walking distance from the Project. The Project will add some scale and density to the Property's immediate vicinity, which will enhance the built environment as well as the sustainability of the transit oriented community. Currently, the Property is underutilized, with low density, small-scale commercial business operating thereon. The Property has not been substantially improved in many years. The Project represents a significant upgrade to its current use.

Furthermore, the increase in building scale and residential density resulting from implementation of the Project does not, as a matter of law, constitute a Specific Adverse Impact. To make such a finding, there must exist an objective, identified written public health or safety standards, policy, or condition by which a purported adverse impact is measured. That simply does not exist here. The Project does represent an increase in scale/massing from existing use, as well as increase residential density – that is entirely the point of the TOC and other residential density bonus programs.

Additionally, as it relates to the reduction in open space, a Specific Adverse Impact will not ensue here because the open space requirement is in direct proportion to the number of units on site. Had the ELI Affordable Units not been provided, the additional open space could have been provided in their place. In other words, the existence of these ELI Affordable Units necessitates a reduction of open space.

## **B. Site Plan Review Findings**

### **1. That the project is in substantial conformance with the purposes, intent and provisions of the General Plan, applicable community plan, and any applicable specific plan.**

The Project is not subject to any Specific Plan. The Project complies with all applicable provisions of the Planning and Zoning Code by utilizing the base and additional incentives permitted by Section 12.22.A.31 and the TOC Guidelines. The Project advances the following objective from the General Plan's Framework Element:

- 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.*

The Project advances this objective by locating new market-rate housing units, affordable housing units for ELI residents, and approximately 3,434 square feet of commercial floor area at a site along Sunset Boulevard - a high intensity commercial corridor – located 0.4 miles from a major transit stop (Sunset Boulevard and Alvarado Street). The Project helps to conserve an



existing neighborhood because it is to be built entirely on an underutilized, commercially zoned land currently housing only a small grocery/liquor store and small materials recycling operation, with an ancillary surface parking lot. No dwelling units are being demolished or displaced as a result of the Project. The Project, therefore, is a welcome net addition to the City's housing stock during this housing crisis.

- Objective 3.7: *Provide for the stability and enhancement of multi-family residential neighborhoods and allow for growth in areas where there is sufficient public infrastructure and services and the residents' quality of life can be maintained or improved.*

The Project advances this objective by locating a new, attractive mixed-use project on a busy commercial corridor within an existing residential neighborhood. The Project will add 121 housing units, as well as ground floor commercial space, to an existing residential neighborhood that consists of a mix of multi-family and single-family residences. It will also enhance an existing busy commercial corridor (Sunset Boulevard) by significantly upgrading an underutilized commercial site. Sufficient public infrastructure and services exist to readily accommodate the Project, which will ensure that the quality of life of existing and new residents will be maintained and even improved.

The Project advances the following objectives and policies from the General Plan's Housing Element:

- Objective 1.2: Facilitate the production of housing, especially projects that include Affordable Housing and/or meet Citywide Housing Priorities.

The Project will expand affordable rental housing by providing 121 total residential units, including 13 ELI Affordable Units, in a City with a critical shortage of affordable housing. Crucially, the Project will advance this objective without displacing a single resident. The Project is consistent with express Policies to achieve Objective 1.2, including Policy 1.2.1 (Expand rental and for-sale housing for people of all income levels. Prioritize housing developments that result in a net gain of Affordable Housing and serve those with the greatest needs) and Policy 1.2.2. (Facilitate the construction of a range of different housing types that addresses the particular needs of the city's diverse households.)

- Objective 1.3: Objective 1.3: Promote a more equitable distribution of affordable housing opportunities throughout the city, with a focus on increasing Affordable Housing in Higher Opportunity Areas and in ways that further Citywide Housing Priorities.

The Project advances this objective by incorporating 13 ELI Affordable Units in mixed use development that will add a total of 121 new housing units. The Project's additional input of housing will directly benefit a community suffering from a critical need. The Project is directly consistent with the Policies set forth to achieve this Objective, including Policy 1.3.1 (Prioritize housing capacity, resources, policies and incentives to include Affordable Housing in residential development, particularly near transit, jobs, and in Higher Opportunity Areas.)

Further, the Project advances the following objectives and policies from the General Plan's Land Use Element, as reflected in the Community Plan:

- Goal 1: A SAFE, SECURE AND HIGH QUALITY RESIDENTIAL ENVIRONMENT FOR ALL ECONOMIC, AGE AND ETHNIC SEGMENTS OF THE PLAN AREA.

The Projects helps to achieve this goal by providing a total of 121 housing units, made up of a mix of studio, one- and two-bedroom apartments. 13 of these units will be dedicated for rent by ELI residents. This will be done without removing any of the neighborhood's current housing stock.

- Policy 1-1.1: Maintain an adequate supply and distribution of multiple family, low income and special needs housing opportunities in the Community Plan Area.

The Project directly relates to this policy by adding 121 new dwelling units, including 13 ELI units at a previously underutilized commercial location.

- Policy 1-2.1: Locate higher residential densities near commercial centers and major bus routes where public service facilities, utilities and topography will accommodate this development.

The Project will site a high-density mixed-use project (with 121 housing units) approximately 0.4 miles from a major transit stop (Sunset Boulevard and Alvarado Street). This intersection contains two bus routes with a service interval of 15 minutes or less during the morning and afternoon peak commute periods. Specifically, the intersection is served by LA Metro Bus Route 4 and LA Metro Bus Route 603, as well as by LA Metro Bus Route 2.

2. **That 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.**

Located in a dynamic neighborhood comprised of an assortment of small- and mid-size apartment complexes and various commercial developments, as well as single-family neighborhoods, the Project is compatible with the diverse character of the built environment while markedly improving the area's urban design and streetscape. The Project replaces an underutilized commercial property with a new mixed-use apartment building, including 121 dwelling units. The Project does so without requesting any zoning administrator's adjustments or other entitlements requiring hearings.

The Project enhances but does not change the use and character of the neighborhood. The Property has been underutilized for decades, housing only a small grocery/liquor store, on one end, and a small recycling business, on the other. It represents a low intensity, sub-optimal use of the Property. The Project will significantly improve the quality of the structures in the immediate vicinity. While the Project will increase scale and mass from its current uses, its attractive design will boost the vitality of the area. Additionally, Sunset Boulevard and commercially zoned parcels separate the Project from neighborhoods to the south and west.

The Project's operations will not impact neighbors. Off-street parking is located underground and within an enclosed structure. Additionally, the Project's convenient proximity to mass transit obviates any significant increase in demand for street parking in the area. Other building operations, including trash collection and loading, will also take place underground and out of neighbors' eyesight.

**3. That any residential project provides recreational and service amenities to improve habitability for its residents and minimize impacts on neighboring properties.**

The Project is providing approximately 9,919 square feet of open space, including: a ground floor central courtyard of 2,844 square feet; various recreation rooms, and a roof area of 5,117 square feet.

These amenities are dispersed between the ground floor, various residential levels and roof area, so as to maximize access to the open space for Project residents. This feature also minimizes impacts to neighboring properties by diffusing the open-air common space (and any potential noise impacts) to different parts of the building.