



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 16-059, **Version:** 1

Item #: PH-1.

Proposed Site Plan Review, Density Bonuses and Other Bonus Incentives, Administrative Use Permit, and Tentative Tract Map, (P2015-0127-SPR, DOBI, AUP, and TTM); for a proposed 5-story mixed use project consisting of 37 multi-family residential dwelling units above 7,206 square feet of ground floor retail commercial space with surface and subterranean parking including tandem parking spaces at 12803 Washington Boulevard.

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Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☒

Action Item: ☐

Attachments: ☒

Public Notification: (E-Mail) Meetings and Agendas - Planning Commission (07/06/16); On July 6, 2016, a notice was posted on the site and was mailed to all the property owners and occupants within a 500 foot radius of the project site and emailed to the Master Notification List.

Department Approval: Sol Blumenfeld, Community Development Director (7/14/16)

RECOMMENDATION:

That the Planning Commission:

1. Adopt a Negative Declaration (ND) based on the Initial Study finding that the Project will not have a significant adverse impact on the environment (Attachment No. 5); and
2. Approve Site Plan Review and Administrative Use Permit, P2015-0127-SPR & AUP; and Recommend to the City Council Approval of Density Bonuses and Other Bonus Incentives and Tentative Tract Map, P2015-0127-DOBI & TTM); subject to the Conditions of Approval as stated in Resolution No. 2016-P009 (Attachment No. 1).

PROCEDURES:

1. Chair opens the public hearing and calls for a staff report and Commission poses questions to staff as desired.
2. Commission receives comments from the general public.
3. Chair seeks a motion to close the public hearing after all testimony has been presented.
4. Commission discusses the matter and arrives at its decision.

BACKGROUND:**Request**

On October 28, 2015, an application was submitted by Axis Mundi RE II, LLC (the “Applicant”) for a Site Plan Review and Administrative Use Permit for a mixed use project consisting of 27 multi-family residential dwelling units above 7,293 square feet of ground floor retail commercial space with surface and subterranean parking at 12803 Washington Boulevard (the “Site”). This proposal included a density increase from 35 dwelling units per acre (or 19 units) to 50 dwelling units per acre (or 27 units) through the community benefits provisions of the Mixed Use Ordinance (“Community Benefits”). The Applicant proposed to provide 21 public parking spaces on site as the proposed community benefit.

At the time of the application submittal the Applicant was considering adding an affordable housing component to the project under State Density Bonus law (SB 1818) which would increase the density to 37 dwelling units in return for covenanting three units for very low income households. This change is based on a 35% density increase from the 27 base density units that incorporates the Community Benefits increase. On March 23, 2016, the Applicant submitted a revised application which is reflected in this agenda item and summarized as follows:

- 56-foot high, five-story mixed use project;
- Four stories containing 37 dwellings units;
- A ground level containing 7,206 square feet of commercial space;
- 21 public parking and 13 commercial parking spaces at the ground level;
- 70 residential tandem, nine commercial, three handicapped & two extra parking spaces in the subterranean level.
- Total parking count of 118 parking spaces

Project History

The Project Site is owned by the City. On February 7, 2008, the former Culver City Redevelopment Agency (former CCRA) entered into a Disposition and Development Agreement (DDA) with the Applicant for (1) the sale of the former CCRA’s property located at 12803 Washington Boulevard; and (2) the development and construction of a retail/office project on the Site. The developer has since decided to modify the project as a mixed use development and the DDA (which is still in effect) has been extended on 10 occasions by mutual agreement.

On April 8, 2016 the City Council approved an Eleventh Implementation Agreement to the DDA allowing:

- A modification to the scope of development to include a mixed-use residential commercial project, to include the application of the density bonus provisions through the Community Benefits provisions of the City’s Mixed-Use Ordinance and State Density Bonus Law for the construction of a total of 37 residential units, including three very-low income affordable housing units, with 30 year affordability covenants; and,
- Subsurface encroachments beneath the public right-of-way (sidewalks) on Washington Boulevard, and Moore and Meier Streets.

A further revision to the project was submitted on May 18, 2016, with submittal of a Tentative Tract Map to create commercial (at the ground floor) and residential condominium airspace lots.

Existing Conditions

The site is located at the north side of Washington Boulevard between Moore and Meier Streets. The site is undeveloped with a previous motel demolished a number of years ago. It is rectangular in shape with approximately 240 feet of frontage along Washington Boulevard and a depth of 100 feet with frontages along both Moore and Meier Streets and the alley in the rear. The site takes up an entire city block.

General Plan/Zoning

The City's General Plan Land Use Element designates this site as General Corridor with a corresponding zoning designation of Commercial General (CG). Surrounding zoning and existing land uses are outlined below:

West:	Culver City CG	Single Story Commercial Retail Stores
East:	Culver City CG	99 Cent Only Single Story Shopping Center
South:	Culver City CG	Washington Blvd. & Single Story Commercial Retail Beyond
North:	L.A. R3-1	15 Foot Wide Alley and 3-Story Residential Beyond

Project Description

The project consists of a 56 foot high, 5-story mixed use project with 7,206 square feet of commercial space on the ground floor and 37 dwellings units with private balcony/deck spaces on floors 2-5. Parking for the project will include 21 public parking and 13 project commercial parking spaces at the ground level; and 70 residential, nine commercial, three handicapped and two extra parking spaces in the subterranean level. Access for the surface parking will be off Meier Street and access to the subterranean parking will be off of Moore Street via a ramp

Subsurface encroachments requested include a full width of the Meier Street sidewalk (11.5 feet), half to the full width of the Washington Boulevard sidewalk (5.5 and 12.4 feet), and a narrow strip of sidewalk along Moore Street (2.5 feet). Portions of the subterranean parking will be located within the subsurface encroachments.

A ground level residential lobby facing Moore Street will provide access for residents to both the units and the subterranean parking while direct access to the commercial spaces will be provided at the street frontage and through a corridor leading to the surface parking behind. The residential units will be a mix of one-, two-, and three-bedroom units and will be located on three levels with a fourth level providing access to a fifth or mezzanine level and outdoor decks for some of the fourth level units. An open area surrounding the units from the roof to the podium or second level will provide air and light circulation for all units.

ANALYSIS/DISCUSSION:

The DDA requires the Applicant to construct a high quality mixed use retail/office project and permits administrative changes, including changes to land use subject to Planning Commission and City Council approval of entitlements. The Applicant has proposed changes to land use from the original entitlements reflected in the DDA in order to construct a mixed used development with affordable housing units, combining SB 1818 (State Density Bonus law) and Community Benefits (from the City's Mixed Use Ordinance). Pursuant to Section 17.400.065 of the Zoning Code, when there is a DDA (or Owner Participation Agreement,

Development Agreement or similar agreement) with the City or (former) Redevelopment Agency and provisions in the DDA differ from the Mixed Use Development Standards, the provisions of the DDA shall prevail. The Applicant has requested, consistent with the Eleventh Implementation Agreement, a density bonus combining the density incentives described above and relief from a front setback requirement in order to allow balconies and enclosed living areas within the setback.

In addition the Developer is requesting that the Project's subterranean parking garage be allowed to encroach beneath the public right-of-way (sidewalks) on Washington Boulevard, and Moore and Meier Streets (see attached). The encroachments into the right-of-way were contemplated in the DDA, but the Developer has subsequently refined the Project design to reduce the amount of encroachment originally allowed. The DDA allowed a cumulative total encroachment of approximately 3,767 square feet, which has been reduced to approximately 3,632 square feet. If approved by the City Council, the encroachments will be memorialized in the Eleventh Implementation Agreement.

The Planning Commission is being asked to consider the proposed Project development entitlements pursuant to Chapter 17.540 of the Zoning Code (Site Plan Review Ordinance) and Section 17.400.065 of the Zoning Code (Mixed Use Ordinance) and the City Council will consider the proposed density bonus related concessions pursuant to SB 1818 including relief from rear setback and building height requirements (to permit one additional story to a maximum height of 56 feet).

The Applicant is proposing to provide three very-low income or 11% of the total residential units as affordable units, which automatically entitles them to receive two development concessions pursuant to SB 1818. The concessions are:

- Rear setback - Allow balconies and enclosed living areas to encroach in the required 60 degree angle that is measured from the center line of the alley as required by the Mixed Use Ordinance.
- Building height - Allow the maximum building height required by the Mixed Use Ordinance to be increased from 45' to 56'.

Please see Table 1 for a summary of the development concessions being considered for the project:

Density and Other Bonus Incentives (DOBI) and Concessions

Under State Density Bonus law the City is required to grant up to a 35% density bonus increase. Further, specified developer concessions for affordable units must be granted by the City, unless it can be demonstrated that the proposed concession is not required to make the project financially feasible. The City is not permitted to apply any development standard which physically precludes the construction of the project at its permitted density with the granted concessions.

Culver City Municipal Code (CCMC) Chapter 17.580 - Density and Other Bonus Incentives - requires the City to follow State Density law for DOBI applications. Under a DOBI application (and State Density law) a developer can increase the base density for a housing development provided the development reserves, for 55 years, a certain percentage of the units for moderate to low income households. In addition, a developer can ask for concessions, or relief from development standards such as height, setbacks, and parking if such standards prevent the ability to provide the affordable units within the development. The City cannot deny a concessions request as part of the DOBI if it is clear that such concessions are needed to provide for the project's affordable housing costs. The number of concessions and the density increase that can be granted are based on a sliding scale of the percentage of units devoted to affordability and the percentage density increase. All calculations in a DOBI application are rounded up to the next whole number. It is important to note that the density increase and the concessions are provided per State law as an incentive for developers

to provide affordable housing. With the dissolution of redevelopment agencies, several mechanisms that cities once had including direct funding for construction of affordable housing have been eliminated. Density Bonus Law is one method by which market housing developers can provide affordable housing within an otherwise market rate development, even if such housing is only a small percentage of the proposed project.

For purposes of the density bonus calculation, the project's base density is 27 dwelling units or 50 dwelling units per acre as established by the Community Benefits and approved in the April 8, 2016 Eleventh Implementation Agreement to the DDA (discussed above in the History and Request section above). Based on State Density Law, an applicant must be granted a 35% density increase if they reserve at least 11% of the total base density units for very low income households. The income categories for affordable housing include extremely low income, very low income, low income, and moderate income. Housing sold or rented at the market rate is considered above moderate. Every year the State of California Housing and Community Development Department (HCD) establishes for every California County, the income level criteria for extremely low income, very low income, low income, and moderate income levels.

The Applicant is requesting a density increase of 35% or $35\% \times 27 \text{ units} = 9.45 = 10 \text{ units}$. State Density Bonus Law requires that fractional remainders in density calculations be rounded up resulting in a density increase of 10 units. At least 11% of the 27 units must be made affordable to very low income households or individuals. This equates to $11\% \times 27 = 2.97$ or 3 units. The project will result in 37 units with three of the 37 units covenanted for 30 years for very low income individuals or households. The applicant has proposed the project as rental units but is processing a Tentative Map in the event they choose to sell the units. The very low affordability covenant must be maintained whether the units are rental or for sale and a condition has been added to ensure conformance to this requirement.

State Density law also requires cities to grant up to two concessions or relief from the development standards (such as setbacks, height, and parking) if at least 10% of the base density units are reserved for very low income households. A city can deny concessions if it can be shown that such concessions are not needed in order to provide affordable housing units. The applicant is providing 11.11% very low income units and has asked for height and setback concessions. Outside of the maximum concessions requests an applicant can ask that the residential portion of the project be parked at the State Density law parking ratios. The applicant has requested this as discussed below.

Height: The Zoning Code allows building height up to a maximum of 45 feet in the CG Zone for mixed use projects that have a depth of less than 150 feet. The applicant is requesting a height concession to increase the building height to 56 feet. The height is measured from the street grade to the top of the roof deck and does not include the added height from the parapet wall or roof top mechanical equipment.

Setbacks: The CG zone requires a five-foot setback after 15 feet of height along street frontages and a setback of 10 feet for the first 15 feet of height and a 60 degree clear zone after the 15 feet of height for portions adjacent to residential zones for mixed use projects. The applicant is requesting relief from these setbacks. The project at the rear facing the alley and residences beyond still provides the minimum two-foot setback off of the alley and will provide step backs but not at the 60 degree clear zone.

Attachment No. 10 and Table 1 shows how height and setbacks are affected by the concessions.

Parking: State Density Bonus Law allows developers to ask for parking based on State Density Bonus Law ratios for the residential portion of the project. State law further prescribes that a City cannot deny this request. State parking ratios for the entire residential portion do not require guest spaces and do not base parking on size of units as well as number of bedrooms (as Culver City's ordinance does). The ratios are simple:

- Zero to One bedroom - One parking space
- Two to Three Bedrooms - Two Parking spaces.

The project includes four one-bedroom units and there are four parking spaces provided; there are 33 two- and three-bedroom units and two parking spaces per each of these 33 units are provided. Consistent with State Density Bonus Law there are no guest spaces.

Architectural and Site Design

The project has been designed to conform to all applicable provisions of the Mixed Use Development Standards, Commercial General (CG) Zone, and all other applicable City development standards (except for the height and setback concessions discussed above). Modern in design, the mixed use building is dominated by straight lines with intentionally staggered vertical and horizontal segments creating a varying articulation. Portions of interior floor spaces and balcony decks are offset from each other as well as roof top decks partially covered with roofing extending from fifth level mezzanines that result in the absence of straight walls. This kind of varying building line and building height helps strengthens the building massing.

The limited color and materials pallet complement the architecture. The majority of the building makes use of white stucco broken vertically with copper colored façade panels that run the whole height of the building from the second level up. Exposed concrete is limited to the ground level along the alley facing rear and the side street frontages. The units make use of substantial glazing allowing natural sunlight. The ground floor commercial frontage will have full height glazing along the length of Washington Boulevard. This will allow for full exposure of the retail area to the street for both pedestrians and motorist driving by the project site. Metal screening is used in the rear along the alley at the ground level to limit exposure of the ground level surface parking and along the face of the exterior east elevation staircase.

The building makes use of full height along the street fronting property lines with no setbacks but with articulated surfaces as noted above. Along the rear facing residential uses to the north there are step backs on the upper floors in a tiered fashion. The proposed setbacks, step backs, and height do not meet zoning code requirements, however the Applicant is asking for concessions for these items as provided for by SB 1818 and as discussed in the DOBI section of the report.

Landscaping

The building footprint maximizes use of the site and limits opportunities for on-site landscaping. The interior courtyard will contain potted planting including palm trees and shrubs. In addition, there are benches and water feature. A planter box is located at the rear of the building facing the alley to help soften the rear parking area exposed to the residences to the north. The planter box will include vine type plant material installed to grow on a vertical grid frame. There will be 5 new street trees planted along the east side of the Washington Boulevard frontage and one new street tree on Moore Street. Due to the subterranean parking encroachment into the right of way, there are not any street trees proposed for the west side of the Washington Boulevard frontage or the Meier Street frontage. However, a condition of the project will require the applicant to work with Public Works in providing planter boxes with depths protruding into the subterranean parking and positioned in such a manner so as to not block parking spaces to allow for additional sidewalk landscaping. The planter boxes will contain plant species along the sidewalk that require only limited volume for root systems.

Mixed Use Requirements

As required by the mixed use development standards, the project includes a Community Benefit of additional at grade public parking and proposes 7,206 square feet of commercial space on the ground floor that meets the minimum depth and floor area standards. This ground floor commercial area is tentatively planned to be divided into a 1,467 square foot corner tenant space at Moore Street that could accommodate a restaurant space and four more tenant spaces at about 1,400 to 1,500 square feet each. The four tenant spaces are separated from the corner tenant space with an 11 foot wide walkway connecting the rear parking area with the Washington Boulevard frontage and the entrances to the ground floor businesses along Washington Boulevard. To maintain an uninterrupted street frontage along Washington Boulevard, vehicular access will be from two driveways - one off of Meier Street and leading only to the surface parking and one off of Moore Street leading to the subterranean parking only.

As required by the mixed use development standards, access to the residential parking is secured by a gate at the bottom of the ramp to separate the commercial parking spaces from the residential parking in the subterranean level. An elevator lobby with stairs leads to all levels. Access codes will be required to access the stairs and elevator leading to the residential levels. The ground level lobby and stairs from the subterranean parking to the ground level will be available for both commercial and residential users.

Community Benefits and Metered On-Site Public Parking

On March 10, 2008, the City Council established a Community Benefit Incentive Program in connection with Section 17.400.065 of the Zoning Code - Mixed Use Development Standards. This Section of the Culver City Municipal Code (CCMC) allows mixed use developments on certain commercially zoned property at a base residential density of 35 du/ac, but allows the density to increase to 50 du/ac, and up to 65 du/a in a Transit Oriented Development Zone (TOD Zone), provided the project incorporates community benefits as established by the City Council.

A community benefit is defined in the Ordinance and related Community Benefit Resolution as a project amenity that achieves a particular community goal. The list of community benefits outlined in the Resolution includes, but is not limited to, the following:

- A. Streetscape Improvements as part of an Area Improvement Plan (AIP)
- B. Pocket Parks and Public Open Space (minimum 5,000 sq. ft.) in addition to park space otherwise required by the CCMC
- C. Metered On-Site Public Parking-in excess of code required project parking (Minimum 10 public parking spaces and applies only to project sites of 20,000 sq. ft. or greater).
- D. Utility Undergrounding as part of an Undergrounding District Plan.
- E. Other Community Benefits as approved by City Council.

Approval of a Community Benefit District and the boundaries for said District are established by the City Council through adoption of a resolution. On December 14, 2015, the City Council approved a Community Benefit District for this project, including the boundaries. The boundaries of the approved District are those of the Project, bounded by Washington Boulevard to the south, Meier Street to the east, Moore Street to the west and the alley north of and running parallel to Washington Boulevard.

As stated in the History and Request section above, the applicant originally submitted an application to develop a mixed use project with ground floor retail space and 27 residential units. The applicant proposed a density from the base 35 du/a (19 units) to 50 du/a (27 units), an increase of eight units. In exchange for the increased density, the applicant's proposed community benefit is the inclusion of 21 ground level metered public parking spaces in the Project in addition to the full complement of Code-required parking for the proposed Project.

The commercial uses along Washington Boulevard in the vicinity of the project site were developed long ago with less parking than the CCMC requires today. As a result, many of these older commercial buildings have inadequate parking available for employees and patrons. The lack of available on site parking creates potential impacts on surrounding residential and commercial neighborhoods. The proposed public parking community benefit would provide some relief to the lack of commercial parking in the area. The capital costs and all related maintenance for the 21 ground level metered public parking spaces will be absorbed by the Developer.

Neighborhood Compatibility

The proposed development is located along a commercial portion of Washington Boulevard that includes a two story mixed use project to the southeast and several one story commercial/retail buildings. In general, Washington Boulevard is characterized by older buildings with little distinct architecture style. The project is inconsistent with the maximum 45-foot height limit under the Mixed Use Ordinance for projects located on CG Zoned property on lots less than 150 feet deep. However, the project height is oriented towards Washington Boulevard and the commercial portions of Meier and Moore Streets. There are step backs from the rear facing the 3-story residential apartments across the alley. The proposed development will be significantly taller than surrounding buildings but will provide interesting building massing combined with a simple material and color palette to help integrate it with the surrounding area. The commercial street frontage along Washington Boulevard with its simple store front glazing will provide a pedestrian scale atmosphere for the project's long commercial frontage and will be similar to surrounding commercial buildings that tend to have straight commercial store front glazing along their frontages.

Parking & Administrative Use Permit

As stated above the project provides the following parking allocation:

- 21 public parking and 13 project commercial parking spaces at the ground level;
- 70 residential, nine commercial, three handicapped and two extra parking spaces in the subterranean level;
- A total parking count of 118 parking spaces

The commercial parking requires 21 spaces (one space per 350 square feet of commercial space). A total of 22 commercial parking spaces are provided; 13 commercial parking spaces are located at the surface level and 9 commercial parking spaces are in the subterranean level. The 21 metered public parking spaces provided as the required community benefit are located at the surface parking level. There are two extra non-residential parking spaces in the subterranean level. Bicycle parking is consistent with Culver City bicycle parking requirements for both short term and long term commercial and residential users.

A security gate separates the residential parking in the subterranean level from the non-residential parking except for three handicap spaces. The four one-bedroom units require one parking space each and the remaining 33 units require two spaces each for a total of 70 required residential parking spaces. The applicant is requesting an Administrative Use Permit for tandem parking as parking for 33 of the residential units will be provided in tandem for a total of 66 spaces. Each tandem pair will be assigned to one unit each. Depending on tenant need, the three handicapped spaces may be assigned to a residential tenant. The two extra spaces are in tandem and will be available employees only.

Traffic and Circulation

Culver City's Traffic Engineering consultant reviewed and accepted a traffic impact analysis, dated March, 2016 prepared by Hirsch Green Transportation Consulting (Attachment No. 6). The traffic analysis evaluated the existing and forecast (year 2017) conditions at nine intersections and five street segments in the vicinity of the project site during both the AM and PM peak hours. These intersections were selected for analysis based on discussion with Culver City's Traffic Engineer.

The study determined that the project is expected to generate approximately:

- 570 daily trips
- 780 daily trips with the 21 metered public parking spaces
- 29 AM peak trips
- 50 AM peak trips with the 21 metered public parking spaces
- 43 PM peak trips
- 64 PM peak trips with the 21 metered public parking spaces.

Based on Culver City and Los Angeles (some intersections are in Los Angeles) traffic threshold criteria, traffic is not projected to have a significant impact at the study intersections during the AM and PM peak periods nor at the street segments. The increase in traffic counts is below the City adopted thresholds of significance for both the Cities and no mitigation measures are required with regard to level of service and vehicle to capacity ratios at the study intersections and street segments. In addition no impacts to the Regional Transportation System or to bus/rail systems were identified.

As a project condition the applicant will be required to reconstruct the existing curb returns at the northeast corner of Washington Boulevard and Moore Street and the Northwest corner of Washington Boulevard and Meier Street in order to increase curb returns to a standard 25-foot radius. These returns will allow easier traffic flow at these intersections and improve traffic flow in the vicinity.

Offsite/Streetscape Improvements

The project will be subject to standard public right-of-way improvements reflected in the project conditions of approval. These will include the 25-foot turning radius at each corner noted above, reconstruction to current standards for all fronting sidewalks and curbs, and where possible street trees. The subsurface encroachments could limit street trees but as noted in the Landscaping section above, a condition of the project will require the applicant to work with Public Works in providing planter boxes with depths protruding into the subterranean parking. The Public Works Department will also require the reconstruction of certain street segments adjacent to the site:

- Washington Boulevard, between Moore and Meier Streets, reconstructed with a full depth concrete section and new concrete paving from the existing curb face to 10 feet out;
- Half the width of Moore Street, reconstructed with full depth concrete paving, curb, and full width sidewalk;
- Half the width of Meier Street, reconstructed with full depth concrete paving, curb, and full width sidewalk.
- Reconstruction of the southerly curb returns of the existing alley on Moore and Meier Streets.

Subdivision

Submitted with the project is a request for a Tentative Tract Map. Tentative Tract Map No. 65473 (Attachment

No. 8) is a proposed one lot subdivision to create 37 residential condominiums and two commercial condominiums. The Public Works Department has reviewed the proposed subdivision and found it to be in compliance with the State Subdivision Map Act and the CCMC subdivision ordinance (Title 15 of the CCMC). The applicant intends to rent the dwelling units for several years but wants to have the map ready should market forces result in the need to sell rather than rent the units. A project condition will require a covenant against the three affordable units that assures they are occupied for at least 55 years by households meeting the very low income criteria.

Regional Housing Needs Assessment (RHNA)

This project will address a portion of Culver City's share of the RHNA by constructing 34 market rate units and three very low income units. This will further the intent of the 5th Cycle Regional Housing Needs Assessment (RHNA), 2014 to 2021, as prepared by the Southern California Association of Governments (SCAG) and the State of California Housing and Community Development Department (HCD), which call for an addition of 185 housing units in Culver City in the RHNA planning period ending in 2021. By addressing Culver City's share of new housing units as stipulated in the RHNA and the Housing Element, the new dwelling units are considered to be within the expected development threshold for the City during the current Housing Element cycle (2014 to 2021).

PUBLIC OUTREACH

As part of the project review process, a minimum of one community meeting is required during which the applicant invites interested persons to learn about the development project, provide comments and feedback, as well as to share any concerns regarding the proposed project. The applicant conducted two separate community outreach meetings associated with the mixed-use residential project, as summarized below.

On November 4, 2015, Developer and City staff held the Community Outreach Meeting as required per the terms of the Mixed Use Ordinance, CCMC §17.400.065, and the Council's Resolution No. 2008-R015 regulating Community Benefit Incentives. The meeting was held at Culver West Alexander Park starting at 7:00pm. Approximately 24 people attended the meeting, including a mix of Culver City and Los Angeles residents. Community Development staff and the developer presented the project and described the purpose of the meeting, namely seeking community input on the desired type(s) of community benefits to pursue should the City Council approve the Developer's proposed density increase. The developer explained the Successor Agency's strong policy interest in creating an off-street public parking reservoir to support the existing commercial buildings in the immediate area, and, if approved by Council, the resulting density increase from 35 units/acre (19 units on this site) to 50 units/acre (27 units on this site) and an extra 21 metered public parking spaces. The developer also explained its plans to pursue the State Density Bonus ordinance as an additional increase, potentially to as many as 37 units, through the provision of very low Income affordable housing units onsite.

The attendees discussed with City staff and the developer's representative the various benefits of the proposed community benefit and the potential public benefit of the other available options. Some attendees expressed reservations related to any increase in density resulting from the proposed Project, but the majority of attendees expressed the opinion that the benefit to the area afforded by the inclusion of additional public parking outweighed any additional potential impact resulting from the proposed Project.

The option of streetscape improvements was seen by the majority of attendees as less beneficial than public parking due to the recent completion of median improvements in the area of the proposed Project, though two

attendees opined that further streetscape improvements in the form of sidewalk reconstruction or a crosswalk immediately fronting the proposed Project would be their preferred community benefit option. The option of creating public open space was viewed as impractical by the majority of attendees due to the relatively small size of the proposed Project. A tally of attendees at the conclusion of the public meeting indicated that a majority supported the inclusion of metered public parking as the community benefit for the proposed Project.

On May 12, 2016, the Developer and Planning Division staff held the community meeting required as part of the Site Plan Review entitlement process. The meeting was held at Culver West Alexander Park starting at 7:00pm. Approximately eight people attended the meeting, including a mix of Culver City and Los Angeles residents. The developer presented the project and described the purpose of the meeting, namely to inform the community and provide an opportunity to review the proposed project prior to the public hearings before Planning Commission and City Council. Concerns/questions posed by members of the public included:

- Unit sizes and parking stalls provided
- The trash location and route
- Overnight parking in the metered public stalls
- Outdoor dining
- Construction schedule

Overall there was no strong opposition to the project. A summary of the community meetings was provided by the applicant and is included herein (Attachment No. 9).

FINANCIAL ANALYSIS:

The Applicant provided a financial analysis which has been reviewed by the City's financial consultant, Keyser Marston Associates (KMA), to determine if the development concessions are needed to reduce the costs of providing the affordable housing. The applicant's financial analysis is a pro forma detailing expected costs and profits for the project. The KMA analysis concluded the following:

1. Costs associated with providing three very-low income units are estimated at \$1.42 million; and
2. The value of the 35% affordable housing density bonus and the two concessions being requested by the Developer is estimated at \$1.86 million.

Given that the value of the density bonus and concessions exceeds the cost of providing the affordable housing units, the City may not need to grant the specific concessions being requested by the Developer. However, the following issues should be considered in the evaluation process:

1. While the City is not required to provide the specific concessions being requested by the Developer, the City must provide two concessions to the project that result in identifiable, financially sufficient cost reductions (Section 65915 (k) (3)).
2. Section 65915 (e) (1) requires the City to demonstrate that denying the specific concessions being requested by the Developer will not physically preclude the project from receiving the statutorily established 35% density bonus.

It is KMA's opinion that it may not be physically possible to achieve the statutorily established 35% density bonus, in a financially feasible manner, if the concessions being requested by the Developer are not provided. Thus, it is the KMA conclusion that under the financial evidence requirements imposed by Section 65915 (d) (1) (A), there is insufficient support to reject the specific concessions being requested by the Developer.

KMA has also noted that if the City wishes to receive both the 21 public parking spaces as a Community Benefit and the three very-low income units, it will be necessary to allow the Applicant to apply both the Mixed

Use Ordinance density bonus incentives and the SB 1818 density bonus.

CONCLUSION/SUMMARY:

The City has partnered and worked closely with the Applicant over a number of years to redevelop the project site. The proposed mixed use project fulfills a number of project goals including revitalizing the Washington Boulevard commercial corridor with the introduction of ground level retail and restaurant uses; providing new housing stock including affordable housing, and addressing the lack of parking in the neighborhood by providing 21 public parking spaces. In addition the project will provide various public right of way improvements to the benefit of the area. Although the project exceeds certain development standards via the allowable DOBI concessions staff has worked closely with the applicant on the architectural design of the project to ensure that the building respects the surrounding commercial and residential neighborhood and the immediately abutting properties. The project's articulated design above the ground level, its pedestrian orientation with extensive store front glazing, residential amenities such as a center open air well facing all units and private opens spaces and decks, and reconstruction of significant portions of public streets result in a pedestrian friendly environment for both project residents and project commercial users. Redevelopment of the underutilized property will be a marked improvement to the area and add to the on-going revitalization of the West Washington corridor by adding 7,206 square feet of ground floor retail commercial use and 37 residential units resulting in economic revitalization of the project site. In addition, the public parking and streetscape and roadway improvements will provide benefits to the immediate neighborhood. Based on the analysis and conclusion contained herein staff recommends approval of the project.

ENVIRONMENTAL DETERMINATION:

Pursuant to the California Environmental Quality Act (CEQA) guidelines a Negative Declaration has been prepared. Although the Initial Study identified potential issues related to construction noise, archeological and paleontological resources, construction in a seismically active area (Southern California), and vehicular circulation, the project specific conditions, standard conditions, standard Building Code requirements, and state law regulating discovery of cultural resources will reduce any potential environmental impacts to a less than significant level and no mitigations are required.

ALTERNATIVE OPTIONS:

The following alternative actions may be considered by the Planning Commission:

1. Approve the proposed project with the recommended conditions of approval if the application is deemed to meet the required findings.
2. Approve the proposed project with additional and/or different conditions of approval if deemed necessary to meet the required findings and mitigate any new project impacts identified at the meeting.
3. Disapprove the proposed project if the application does not meet the required findings.

ATTACHMENTS:

1. Draft Resolution No. 2016-P009 and Exhibit A Conditions of Approval
2. Vicinity Map
3. Project Summary

4. Table 1 - Developer Concessions and Density Bonus
5. CEQA Initial Study/Negative Declaration dated July 6, 2016.
6. Traffic Impact Analysis prepared by Hirsch Green Transportation Consulting, March, 2016
7. Preliminary Development Plans dated March 18, 2016
8. Tentative Tract Map No. 65473
9. Applicant Summary of Community Meetings
10. Concessions Diagrams
11. Public Comments (if received prior to final draft of this report)